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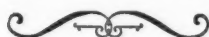


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CURRENT HISTORY for JULY

THE PARTY LINE-UP FOR 1936.....	<i>Paul Mallon</i>	337
SOCIAL CHANGE v. THE CONSTITUTION.....	<i>Charles A. Beard</i>	345
WHO SHALL RULE THE MONEY MARKET?...	<i>Elliott V. Bell</i>	353
WAR VETERANS AND BONUS POLITICS.....	<i>Turner Catledge</i>	360
MUSSOLINI'S AFRICAN ADVENTURE.....	<i>Ignatius Phayre</i>	365
SOUTH AFRICA BECOMES A NATION:		
I—THE STRUGGLE FOR INDEPENDENCE....	<i>Fred Clarke</i>	372
II—THE URGE TO EXPAND.....	<i>Ralph Thompson</i>	378
THE WAYS OF THE CHINESE CENSOR.....	<i>Edgar Snow</i>	381
SHAW: SOCIALIST AND ARISTOCRAT.....	<i>St. John Ervine</i>	387

A MONTH'S WORLD HISTORY

<i>By Allan Nevins</i>		<i>By Sidney B. Fay</i>	
Peaceful Counsels in Europe	400	Germany Builds Her New Army	425
M. Laval's Travels	404	Improvement in Austria	427
Danubian Rivalries	404	A Swiss Referendum	428
Italy's Aims in Abyssinia	406	<i>By William E. Lingelbach</i>	
<i>By J. Bartlet Brebner</i>		Spain Swings to the Right	428
Canada Considers Her Constitution	410	Italy Under Arms	430
Canadian Foreign Trade	411	<i>By Frederic A. Ogg</i>	
<i>By Hubert Herring</i>		The Passing of Pilsudski	431
Chile Moves Toward Recovery	412	Czechoslovakia's Hitler	434
A Chaco Truce	413	The Yugoslav Elections	435
President Lopez of Colombia	413	A Monarchy for Greece?	436
Labor Unrest in Mexico	414	<i>By Ralph Thompson</i>	
Cuba Plans Elections	415	Peace Prospects on the Baltic	436
<i>By Ralph Thompson</i>		The Month in Sweden	437
Exit MacDonald; Enter Baldwin	416	<i>By Edgar S. Furniss</i>	
British Arms Inquiry	418	Patriotism Comes to the Soviets	438
In the Irish Free State	418	<i>By Robert L. Baker</i>	
Australian State Affairs	419	Turkey's Nationalist Creed	441
South Africa's Jubilee	419	Iraq and Iran	443
<i>By Francis Brown</i>		<i>By Grover Clark</i>	
The Battle of the Franc	420	Japan's High Hand With China	445
The Normandie	424	Japanese Foreign Trade	447
Belgian Affairs	424	Chinese Communism Persists	448

CURRENT HISTORY IN CARTOONS	393	CHRONOLOGY OF CURRENT EVENTS	399
THE WORLD IN BOOKS.....		<i>John Chamberlain III</i>	

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THE WORLD IN BOOKS . . .

By John Chamberlain

AFTER a year and more of preliminary whispering and ballyhoo, the immense master labor of Vilfredo Pareto has at last reached the United States. In the original Italian it is called *Trattato di Sociologia Generale*, but Arthur Livingston and Andrew Bongiorno, who have done the translating and editing with the help of James Harvey Rogers, have seen fit to give it the general title of *The Mind and Society* (Harcourt, Brace, four volumes, \$20 the set).

Many things have conspired to stir up American interest in the Italian sociologist who died a decade ago. There is the claim, made by the more ardent votaries, that Pareto is to sociology what Newton is to physics, and that his name will loom larger than Aristotle's in years to come. And there is the imputation, which some Paretians reject, that Mussolini would not have been converted from socialism to fascism if he had not happened to listen to some of Pareto's lectures at the University of Lausanne. If it is true that Pareto gives us the intellectual basis for fascism, he is an important historical figure, whatever the "scientific" merits may be of his sociological "statements of uniformity."

* * *

The four volumes of *The Mind and Society* make for fascinating reading. Much of the work is good in the way that William Graham Sumner's *Folkways* is good. It provides a learned survey of customs, etiquette, folkways, conventions, traditions, stereotypes, what-not, all of them illustrating the human animal's propensity for acting, in certain cases, in the way grandpa acted, or for behaving, in other cases, in a more experimental and tentative manner, not always in the strict spirit of science but often out of a superstitious belief in the efficacy of chance combinations. Pareto was a strange amalgam; he had been an engineer and a business man; he was for a period a lecturer on economics (he professed to have succeeded in reducing economic laws to mathematical equations), and he was vastly learned in the history of classical antiquity, which he drew upon prodigiously for purposes of illustration. With a naturally conservative and crochety mind, Pareto managed to set forth his elaborate learning with a good deal of the salt of Machiavellian common sense.

The core of his contribution to sociology is his elaborate and difficult theory of the residues and the derivations. *The Mind and Society*

is, primarily, a study of the "non-logical conduct" of man, and Pareto calls what he conceives to be certain deep, basic and "irrational" human drives by the name of "residues." There are six classes of residues in the Paretian calculus, of which two—the "instinct for combinations" and the residues connected with "group-persistences" (such as love of country or emotional nationalism)—may be selected as the most important. A "derivation," in the Paretian sense, is any "rationalization" in words or other symbols of an instinctive action corresponding to one of the residues.

* * *

The classification of non-logical human activity into the residues is impressive until one tries to make use of the classification. The moment one takes a specific action by a man and tries to allocate it, one discovers that Pareto has provided no means of distinguishing between "logical" and "non-logical" conduct; that one can only guess to what variety of "non-logical" conduct a given act belongs, if indeed it is "non-logical"; that—but we end in the swamp of extreme subjectivity.

Elsewhere I have tried to illustrate the difficulty by selecting the act of Ramsay MacDonald in joining Great Britain's "national government." Offhand, one might decide that Mr. MacDonald did this because of "the residue aggregate of patriotism." But, on the other hand, he might have done it because of "the instinct for combinations"—in this case, the "hunch" that combining Socialist brains with Tory tradition might result in a feeling of national well-being that would bring Great Britain out of the depression. But Arthur Livingston, one of the editors and translators of *The Mind and Society*, writes to tell me I am arguing like a "Marxian," and that MacDonald's action, in any case, was quite "logical." If Mr. Livingston is right, then it merely transfers the difficulty of classification to Mr. MacDonald's voting clientele. How is a Paretian to guess whether an Englishman, in voting for the "national government," is doing it logically, because he thinks it may mean guineas and pence in his pocket, or "non-logically," because of the "residue aggregate of patriotism"? How is one to decide between logical "interests" and "non-logical" residues? Where is the dividing line?

* * *

Another trouble with the Paretian classification is that it fails to determine just which

of the "residues" are indeed "instinctive," and which are merely the result of social conditioning. If Margaret Mead's *Sex and Temperament* (Morrow, \$3) is a book worthy of scientific recognition, many things which Pareto was wont to regard as "instinctive" and deep-lying may be nothing of the sort.

Miss Mead, by studying three savage tribes of New Guinea, reached the conclusion that traits which we call "masculine" and "feminine" are not fundamental to the human organism, but largely matters of social conditioning. For example, the Mundugumor of New Guinea regard both men and women as innately ferocious, reckless and thievish; and the Mundugumor men and women are ferocious, reckless and thievish. Women that we would regard as "womanly" are largely missing among the Mundugumor. Does this prove anything about different sex characteristics? And does the fact that among the Arapesh tribesmen of the same island the men and the women are alike in their happy, gentle and trustful attitude toward life prove anything about differing sex characteristics? The answer is obvious: Miss Mead would seem to prove that the human organism is infinitely pliable, infinitely malleable, infinitely elastic—and that a fundamental "residue" may be a mere accident of economic organization, not a deep "instinctive" drive.

* * *

There is, in Pareto, an ill-concealed glorification of force. Pareto disliked "democratic humanitarianism," or rule by the kind of men whom he regarded as "foxes." He admired leonine men, such as Mussolini and Bismarck. The connection with Fascist force is obvious, even though Pareto never "advocated" fascism. And the open preference for force as against chicanery is enough to cast doubt on the "objectivity" of *The Mind and Society*, particularly the final volume. A biologist who is classifying his species does not give his foxes a black mark and his lions a gold star. Foxes and lions, to a biologist, merely employ different methods of obtaining food in the struggle for existence.

Well, Pareto cannot be exhausted in a review, and I must resist the temptation to go on and on. It will be many a long day before this Italian portent has been adequately placed in the history of the social sciences, and a good many critics are going to find intellectual pabulum in Pareto that will last them through the coming Winter.

* * *

The intellectual voltage of *The Mind and Society* is proved by the fact that other books of the month tend to seem important in so far as they corroborate or refute Pareto. Take

Continued on Page VI

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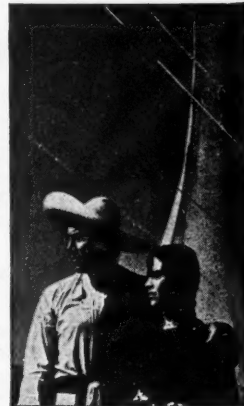
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Continued from Page V

Clarence Cason's study of the American South, *Ninety Degrees in the Shade* (University of North Carolina Press, \$2.50), for example. In his anatomy of certain Southern politicians—Heflin of Alabama and Bilbo of Mississippi—one runs across the tragic results of a score of "group persistences," which is Category Two of the residues. Certainly the activity of many of the poor whites is "non-logical"; how else is the antipathy of the landless white to the poor Negro, who is in the same economic boat, to be explained? Huey Long, who is appealing to the poor white without having recourse to the emotionalism of race hatred, is one Southern politician who is setting "interests" above "residues." There is an excellent study of Long, along with studies of Coughlin, Dr. Townsend, Upton Sinclair, the La Follettes, Floyd Olson, and so on, in *American Messiahs*, by the Unofficial Observer (Simon & Schuster, \$2).

* * *

The past month abounded in political studies. Besides *American Messiahs*, which is a wise-cracking but meaty analysis of American political figures who are "to the left" of Roosevelt, and who therefore provide the dynamics of political change, the month witnessed the publication of Alfred E. Smith's *The Citizen and His Government* (Harpers, \$2.50). Most of the Smith book consists of a series of papers on ways and means of modernizing city and State government. Al Smith is all for the elimination of duplication of function; he sees no reason for scores of little counties, when a few big counties could save the taxpayer some of his money, nor can he see why New York City should maintain a "borough autonomy" that originated in the horse-car era. Part of the Smith book discusses the rôle of the district leader. But here Al is not telling us the whole story—the story of Tammany and the Tin Box parade, of the relationship between the building and contracting businesses and the city government, and so on.

For a more scientific study of the place of the district leader, there is *Boss Rule: Portraits in City Politics*, by J. T. Salter (Whittlesey House, \$2.50). Professor Salter, who teaches at the University of Wisconsin, observed a number of Vane district workers on the spot in Philadelphia. His book is interesting, although people who have read Lincoln Steffens on "the shame of the cities" will not discover anything very new in it.

* * *

William Henry Chamberlin's two-volume history of *The Russian Revolution* (Macmillan, \$10 the set) in part repeats the story told in the Trotsky history, which ended with the Bolshevik capture of power, and in part continues the story through the civil wars and on

to the inauguration of the NEP period. As Malcolm Cowley has shrewdly said, Mr. Chamberlin's history, while it is objective on the whole, errs on the side of subjective preference in being something of a history of "why the counter-revolution failed," instead of being the story of how the revolution succeeded. Mr. Chamberlin thinks the reaction failed because the White generals did not know enough about revolutionary psychology; they had no one of the calibre of Mussolini or Hitler to channel revolutionary sentiment to non-revolutionary ends by making a pseudo-radical appeal. In brief, the White generals lacked the advantage of having studied Pareto on the "residues." Is there more than a slight tincture of regret in Mr. Chamberlin's discussion of the failure of the Whites? Mr. Cowley thinks "yes." I am not so certain. But it is obvious that Mr. Chamberlin does not like the methods of the Stalin government, which is proceeding, in Mr. Chamberlin's estimation, on the assumption that only the repressive "anti-Czar" can be the cure for the Czar.

Mr. Chamberlin is a libertarian, as becomes a newspaper correspondent who must inevitably chafe under a limitation of freedom of discussion. To an Asiatic Tadjik or an Uzbek, coming out of the "Mohammedan middle ages" into the light of socialism, as reported in Joshua Kunitz's *Dawn Over Samarkand: The Rebirth of Central Asia* (Covici-Friede, \$3), the question of "freedom of speech" is not so important. Under the rule of the emirs and the beys, the inhabitants of Soviet sub-tropical Asia never had such things anyhow. Hence any change that improves their economic status, even if it does not give them intellectual freedom, is welcome. Emil Gauvreau, who reports his reaction to Russia in a crazy-quilt book called *What So Proudly We Hailed* (Macaulay, \$3.50), has realized this. The trouble with Mr. Gauvreau's book is that he tries to make out a case for Russia and against the United States by an arbitrary selection of incident that results in distortion.

* * *

The note of social protest marks most of the novels and plays and poems published during the month. Clifford Odets's *Three Plays* (Covici-Friede, \$2.50) includes his *Awake and Sing*, a drama of lower middle class life in the Bronx; *Waiting for Lefty*, an exciting series of scenes illustrating the beginning of the taxicab strike, and *Till the Day I Die*, a play of Red underground activity in Hitler's Germany. The plays of Odets are compact of some remarkably stirring dialogue, and have extremely provocative social implications. Kenneth Fearing's *Poems* (Dynamo, \$1) are bitterly insurgent and corrosive in their attack on lower middle class decay in urban America.

The most exciting novel of the month is

Humphrey Cobb's *Paths of Glory* (Viking, \$2.50). If any one ever enlists voluntarily "for the duration" of any war after reading this novel, it will be a matter of surprise to me. For an ironic combination of an onslaught against militarism on the one hand, and against Red Tape on the other, this novel would be hard to match. Mr. Cobb's hatred of "the system" that makes for war is only exceeded in intensity by Erskine Caldwell's hatred for economic exploitation of the miserable Southern share cropper in his collection of short stories, *Kneel to the Rising Sun* (Viking, \$2.50).

* * *

Economic difficulties are not limited to the South in the fiction of the month. There is Hope Williams Sykes' *Second Hoeing* (Putnam, \$2.50), an honest, firmly wrought story of second-generation Germans living in the sugar-beet country of Colorado. And there is Tess Slesinger's bright and witty collection of short stories, *Time: The Present* (Simon & Schuster, \$2.50), which contains a remarkably good tale about an abortive strike of white-collar workers in an advertising agency. John Steinbeck's *Tortilla Flat* (Covici-Friede, \$2.50) looks on the brighter side of life, even though it is about the *paisanos* (or Mexicans) who live in squalor in back of Monterey, Calif. And Michael Fessier's combination of hardboiled conversation, Ambrose Bierce mystery and James M. Barrie fantasy, *Fully Dressed and In His Right Mind* (Knopf, \$2), flies from the troubles of this world altogether. Not that the world of horror that Mr. Fessier creates for himself is anything to be welcomed in exchange. Mr. Fessier's people live in a universe as terrifying to behold as the world of madness described in Clifford Beers's *A Mind That Found Itself* (Doubleday, Doran, \$2.50). *A Mind That Found Itself*, published in a revised Twenty-fifth Anniversary Edition, describes the tortures visited upon patients in State institutions for the insane twenty-five years ago, and has been described as the "foundation of the world mental hygiene movement."

The Japanese Mandate

JAPAN'S PACIFIC MANDATE. By Paul H. Clyde. New York: The Macmillan Company, 1935. \$3.

THIS first-hand study of the Japanese mandate should dispel most of the mystery that has surrounded Japan's activities in the islands during the last year or so. Rumors about the secret establishment of powerful fortifications have been based on nothing more substantial than the ignorance and fears of big-navy alarmists in Great Britain and the United States. Actually, not more than half a dozen of the 1,400 islands in the mandate could be put to real use as naval

Continued on Page XIII

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CURRENT HISTORY

JULY 1935

The Party Line-Up for 1936

By PAUL MALLON*

THE broad trend of American politics for three quarters of a century has been clear and undebatable. The Republicans have been the dominant party. They have nearly always won—with the three exceptions of Grover Cleveland, Woodrow Wilson and Franklin Roosevelt. Each of these widely separated Democratic administrations lasted two terms, although Cleveland's did not run consecutively. Each was a reform administration that followed a temporary lapse in Republican prestige. Both Cleveland and Wilson gave way to a long period of Republican rule.

From these facts arises the accepted tradition that this is a Republican country; that the Republicans alone can bring prosperity; that the voters merely chastise them occasionally, but always restore them to favor after a brief, unsatisfactory experience with the Democrats. On the supposition that history repeats itself, many

among the politically minded are assuming that the Roosevelt administration will last possibly one more term and then be followed by another long Republican era, dull, careful but prosperous.

Those who accept this conclusion fail to realize that during the past three years a technical political revolution has occurred alongside the bloodless economic revolution upon which the eyes of all citizens have been focused. They do not yet appreciate that the old Republican political technique, upon which that party relied for self-perpetuation, has been borrowed, modernized and extended by the first politically astute Democratic administration we have had.

Republican confidence in history may in time be justified. The country can conceivably return to Republicanism in 1940, or even in 1936, although there is no conclusive evidence that the country will not turn aside from both major parties and seek a more radical control. Yet at the moment it is apparent and incontrovertible that

*The author of this article is a Washington political correspondent whose observations are syndicated nationally.

any non-Democratic political movement in 1936 or 1940 will have to conquer the most efficient political organization ever created under our system of government.

Partisans like to believe that principles animate voters and win elections. This is only a half-truth. Any good politician knows that principles may be extracted from the air and that they are valueless, unless backed by a strong political organization. Every practical candidate would gladly exchange two principles for one sure-voting precinct machine.

The old successful Republican organization, without overlooking the value of principles, never underestimated the need of a political machine that would reach down into every possible village and hamlet to provide at election time eager workers, watchers, speakers and contributors of funds. At the height of its glory during the expansion decade of the Nineteen Twenties its make-up might have been roughly charted as follows:

I. Officeholders — the Bread-and-Butter Brigade whose eagerness to work for party success is always encouraged by a desire to keep their jobs.

(a) District Attorneys, marshals, customs collectors, the party watch towers in the cities.

(b) Congressmen with district organizations.

(c) State Governors and Senators, each with his own personal State organizations and State officers as segments of the national organization.

(d) Mayors with city machines.

(e) The last and most important, postmasters with their employes, letter carriers, rural free delivery drivers.

II. Sympathetic business organizations:

(a) Chambers of commerce outside the South.

(b) Merchants' clubs outside the South.

(c) Union League clubs, and so forth.

III. Civic groups:

(a) Church organizations, especially in small towns, where the prohibition issue inspired political zeal, usually Republican.

(b) Women's clubs and remnants of the suffragist movement, always active politically and preponderantly Republican.

These classifications have not only been upset since March 4, 1933. They have been revolutionized. The first class has been almost entirely abolished, as far as effective Republican organization is concerned. The third classification has also entirely lost the vigorous political influence it wielded in the early Twenties through such militant organizations as the Anti-Saloon League and the related Methodist Board of Prohibition, Temperance and Public Morals. The great middle-class church following of the small towns, the backbone of the Republican party, can no longer be considered a political unit or force.

If there is any group left upon which the reorganization of the Republican machine might be based, it is the second, the business men's organizations, where the traditional belief in Republican prosperity lives on. This is the group which in the past furnished the sinews of war, the money required for the maintenance of national political organizations. This is the group that has contributed so much to middle-class political thought through the influence exerted over white-collar employes.

Yet depression and economic revolution have not left this group unscathed. The befuddlement of the business mind in the past three years has been accompanied by an awakened class-consciousness among employes, white collar as well as others. Furthermore, the contributions which have lately *not* been rolling in to Republican headquarters should make it clear that substantial campaign funds will return only with prosperity.

The wrecking of the Republican machine, however, would be a not very difficult technical obstacle to Republican revival were it not for the formidable political war tank quietly established by the Democrats.

In many respects the still-expanding Democratic organization appears to have been built, though with innovations and variations, from Tammany plans. The fundamental theory of the city machine, which has in the past been successful for long periods not only in New York but in Philadelphia, Chicago, Kansas City and elsewhere, is to care for the poor, organize the neighborhood, give city jobs to unemployed sons and daughters. Parks, playgrounds and public improvements must be built by contracts let on the basis of "honest" graft—perhaps a 10 per cent contribution to political purposes. Let business alone; let municipal debt take care of itself, and build, build, build!

Without reflecting on the honesty or sincerity of the New Deal program, the similarity of some of its features with old-time political machines and its political implications will be apparent to the most casual observer.

The mechanism of the Democratic colossus, of course, is far greater than that of a single municipality. Its most important parts consist of expanded Federal activities. The set-up might be charted as follows:

I. Officeholders, including all those nominally on the Republican list, with these additions:

(a) Thirty-eight State Governors, with probably less efficient personal State organizations than the old Republican ones (because they are newer); seventy Democratic Senators and about 320 Representatives with State and district organizations, a greater number than the Republicans ever had.

(b) The number of new direct Federal employees, which the Civil Service Commission conservatively puts at 127,932, all of whose friends and families will vote.

(c) About 3,000 county agents under the Agricultural Adjustment program who will prove to be far more effective rural organizers than the postmasters. (These are not new officers, but have lately assumed an important political significance.)

II. Direct beneficiaries:

(a) Six hundred thousand persons in

the Civilian Conservation Corps, practically all of whom are of voting age, and their families. These should be regarded as almost certain Democratic organization votes, perhaps en bloc.

(b) Those on relief (20,000,000 persons), some of whom are now being turned over to the States; not all of them can be counted certain.

(c) Recipients of farm benefit payments (3,000,000 persons) and their families.

III. Indirect beneficiaries, obligors, mortgagors, whose cooperation might be sought in a tight place:

(a) The 19,000 business firms which have borrowed money from the RFC.

(b) The building and loan associations, contractors and others who are tied in various ways with the Federal Housing Administration, public works and the like.

The administration protests when most of these groups are given political significance, contending that the operations of these governmental agencies are wholly free from political considerations. That may be true. It is improbable that widespread effort would be made to exert political influence upon the third class, for instance, even in the heat of a campaign when no means of victory is ordinarily overlooked. Yet any summation of the scope of the New Deal machine possibilities would be deficient if it failed to mention groups that are financially obligated. They may not be used, but they could be.

An attempt to estimate the ultimate organization and voting potentialities of the classes here enumerated produces fantastic results. A rough guess at the total number of persons involved in the three classes would approach 30,000,000, which is about four-fifths of the votes cast in the last election. No one will contend that the three classes may be solidified into a voting unit, or that their full political potentialities can possibly be established.

The proper significance may be discerned by considering the fact that

before the introduction of these new forces, Franklin Roosevelt polled 22,821,857 votes in the election of 1932, as against 15,761,841 votes for Herbert Hoover. At that time the Republican organization was considerably more efficient than it is today, although since that time Mr. Roosevelt has lost some of his unorganized popular voting strength. The obvious deduction is that, even if he has lost a considerable portion of it, he has opened up new and previously undeveloped fields which could reasonably be expected to offset an otherwise ruinous loss. In other words, the sub-surface political revolution which he has accomplished goes far beyond the customary traditional calculations of political organization and power.

It is only too easy to be misled by the fact that the President's adversaries are now pressing him militantly, absorbing the greater portion of press and radio publicity, and thus creating a popular belief that the history of Democratic reform administrations is to be repeated as certainly as the sun rises and sets, for President Roosevelt has given the Democratic party a means of self perpetuation that never existed before.

These factors, of course, would lose their potency unless they were utilized forcefully by skilled political hands and unless they were supplemented by alert national, State, county and city committees. But all this the new Democratic leadership has provided. Politically the Democrats now appear to be as shrewd and capable as the best of Republicans.

If an ardent New Deal patriot arises to contest the possibility that the 600,000 members of the Civilian Conservation Corps, for instance, may be voted as a unit, let it not be forgotten that the heroic Lincoln continued the Civil War and saved the

union by voting the Federal Army in the field as a unit for the straight Republican ticket. Few persons, except bitter partisans, will contend that the current system was instituted primarily, or even secondarily, for political considerations, but only blind New Dealers will disregard the political power that is now established.

There is one notable weakness. The vast organization is largely temporary, though it will certainly last through the coming Presidential election. The National Recovery Administration has already been hard hit by the Supreme Court's recent decision. The relief and possibly the agricultural phases of the New Deal may be dissolved in the next five years, but in place of relief will come a centralized social-security system that may have some of the same political possibilities. It is inconceivable that all Democratic power will vanish.

These are only the technical factors of the current political trend. Side by side, and vying with them, have developed apparently new, but essentially old, manifestations of political expression—Father Coughlin's Union for Social Justice, Dr. Townsend's Old-Age Pension clubs, the Utopians, Upton Sinclair's EPIC and Huey Long's Share-Our-Wealth clubs. These groups emit such terrifying noises that many people exaggerate their long-time importance.

The followers of Father Coughlin have lately been noisiest and therefore the most important in the public estimation, although each of the others has had its moment of pre-eminence. The essentials of Father Coughlin's importance are: (1) The filing cases in his offices at Royal Oak, Mich., where he is supposed to house the signed pledges of 200,000 subscribers to doctrines that are so general that all Americans, except

Socialists or Communists, could readily accept them, and the names of his 5,000,000 fan-letter writers; (2) the influence he has been able to exert upon the administration and upon Congress by his weekly radio espousal of far more precise and particular doctrines, for which he has brought pressure through storms of letters and telegrams, and (3) the vague, uncertain fear that he may eventually use his strength to lead a revolutionary third party.

Father Coughlin has denied any such purpose, although his denials have not entirely eliminated the possibility. Personally he has chosen to become a borer-from-within. As now established, his unit is not a political organization in the same sense as the Democratic and Republican organizations; rather it is a lobby, comparable perhaps to the American Legion, the American Liberty League and the American Federation of Labor.

The 200,000 members of the Union for Social Justice are essentially no more important, politically, than the 769,908 members of the American Legion, even though they are reinforced by some 5,000,000 or more persons who are supposed to have written letters of encouragement to Father Coughlin or sent contributions to him, and whose names and addresses are in his hands. These 5,000,000 fans have about as much political weight as the persons who write letters to other radio stars. They merely approve what Father Coughlin has said at one time or another.

Whether they could be voted en bloc at the polls, and for whom, is a possibility that Father Coughlin has not yet proved. Probably they could be expected to vote for Father Coughlin were he a candidate for the Presidency, but he is not and can not be. If they were all Roosevelt voters at

the last election, and could be delivered to a Republican candidate next year, Mr. Roosevelt would be defeated by this one stroke. If cast for third Presidential candidate, they could not elect him, but would deprive one of the major candidates of substantial support.

These vague possibilities have created respect for Father Coughlin among politicians who fear him in somewhat the same way that they fear organized labor or the veterans. Directly or indirectly, they seek his favor and endorsement, not entirely because they believe that if he opposed them he could defeat them, but because it is better to have him for them than against them. It is commonly believed in Washington that his agitation is half-responsible for the otherwise unexplainable silver policy of the administration. Yet the administration has dared to resist his demands in other matters, notably the Banking Bill, which fulfills some of his hopes, but fails to go as far as he desires.

Father Coughlin thus seems to be a temporary phenomenon. He might conceivably become more than the nation's leading lobbyist of the moment, but it is wholly improbable that he will. It is almost impossible for him to compete with the two major political organizations, no matter how much his prestige may grow. He cannot go into every village and hamlet of the country and establish a rival machine. He cannot match the Bread-and-Butter Brigade, selfishly interested in the success of a major party. He is affiliated with a church organization which theoretically could, but will not, furnish the nucleus for a great political organization.

Standing alone, Father Coughlin is politically less important than the American Federation of Labor, which can surpass him with a total organized

strength of 5,650,000 and a paid-up membership of 2,823,750. He is even less a factor than the A. F. of L. because the permanency of his following is not assured.

His present prestige rests apparently on his having the Senate deluged with telegraphic protests against the World Court and then on his using the same method against Mr. Roosevelt's veto of the bonus—both instances in which his influence was not conclusive.

The effectiveness of this kind of political lobbying depends mainly on its spontaneity. If a Congressman suddenly receives 200 telegrams from his district, and believes they have not been solicited by organized influences, he will conclude that they express a fair cross-section of opinion among his people. But if the same 200 people continue to wire him repeatedly, under orders from a central authority like Father Coughlin, the Congressman must conclude that the opinion thus expressed is only that of the 200 Coughlin followers in his district. Thus repetition dulls the edge of this weapon.

Similarly, Father Coughlin must depend upon his ability to find increasingly sensational assertions in order to keep a strong hold on the imaginations of his followers. But there is a definite limit to such manoeuvres. His predecessors have found this a most difficult phase of their work. The experience of the Technocrats, Upton Sinclair, Dr. Townsend and Senator Long, all of whom have found public fancy extremely fickle, is evidence on that point. Their surges in popular esteem have, to a considerable extent, resulted from the expression of fluctuating discontent with existing conditions. They lose their power if and when conditions change, or when some

new Messiah devises a more attractive panacea.

Senator Long says he has more names in his letter file than are in Father Coughlin's. As his reputation for conservatism in making claims affecting himself is not firmly established, some people may discount his figures. His latest estimate of membership in his Share-Our-Wealth Clubs is 8,641,227. His political friends boast that these members are classified in his file by States, in order that he may solicit them hurriedly to sign petitions for placing his name on the ballot as a candidate in the primaries for selecting delegates to the next Democratic National Convention.

Long is too experienced a politician to place much trust in third party movements. He knows that, as a third party candidate, his only hope would lie in the prospect that he could deprive one of the two major party candidates of sufficient votes to permit the other to win. His immediate prospect in that respect is that he might take away enough votes from Mr. Roosevelt to elect the Republican candidate. Long has never favored the garb of martyr. He generally considers his own welfare first, and consequently his political associates have lately reported that he is building hopefully for the day when he may contest Mr. Roosevelt's leadership of the Democratic party and establish himself as Mr. Roosevelt's successor. But in their estimation the earliest possible date is 1940.

At any rate, Long, like Coughlin, is at present a negative political factor; he is a threat, an expression of fluctuating discontent. Finally, he seems to be incapable of merging with Coughlin into a more formidable unit or of effective self-expression in his own right on a competitive basis with the two major parties. So, too, the

dwindling Townsend Old-Age Pension organization.

The only practical independent political machine that has evolved from contemporary conditions is that of the Socialist Sinclair, and it has been confined to California. No national political agent can possibly use it, certainly not Long or Coughlin, and it has no sweeping national political character. The position of Governor Floyd Olson of Minnesota is somewhat similar. There is a real possibility that Olson may be a third party Presidential candidate, as he is a Farmer-Laborite, owing allegiance to neither Republicans nor Democrats. He has nothing to lose, nor much to gain.

This fact in itself eloquently expresses the real prospects of any third party movement at the present time, as well as the fundamental practical deficiencies of organized protests. Psychologically they represent a trend in political thinking among a large mass of people, a trend toward division on economic lines rather than the old artificial political lines, but the movements are so inadequately led, and are faced with such tremendous barriers, that few rational observers believe they can overcome their handicaps. Their present restricted strength and their future possibilities depend almost entirely on the curve of business. They will fall when it rises, and rise when it falls.

Hence, the really fundamental trend of national political thought, as well as of technique, continues to concern the two major parties. The psychological changes in them have been as deep as the technical revolution but not so clear-cut. Mr. Roosevelt has sought to make the Democratic party a school of far more advanced and liberal thought than its elder statesmen believe wise. This he has accomplished in the face of such organizations as

the American Liberty League, a grouping of more conservative Democratic elders as well as Republicans, and such Democratic statesmen as the South is accustomed to send to Congress.

Because the Southern Democrats have comprised the only perpetually successful wing of the party in its long years of adversity, they regard themselves as the party itself. Some of them have openly resisted Mr. Roosevelt's march. Others, who have gone along with him and are now in the front ranks of his army, do not at heart share the zeal or faith of Mr. Roosevelt in his political movement. Thus, in a strictly accurate sense, Mr. Roosevelt is himself a third party, an expression of independent political thought using the skeleton of the Democratic party, but drawing skin and sinew from a somewhat sympathetic group of independent Republican thinkers represented by such men as Senator Norris and the La Follettes, who have been attempting for years to accomplish a similar reformation within the Republican party.

This trend has not wholly wiped out party lines. Mr. Roosevelt has invited the less conservative Republicans to join his party, but they have been shy and have not accepted the invitation. Mr. Roosevelt's political managers have gone about establishing their own Democratic organizations in States where these somewhat independent Republicans have resided with political organizations of their own, and in no case does Mr. Roosevelt's Democratic organization, in Nebraska, in Wisconsin or elsewhere, include the leading campaign associates of the independent Republicans.

The result of this makeshift bipartisan understanding, without direct partisan consolidation, was such that, during the Congressional campaign

of 1934, while Mr. Roosevelt supported some of the independent Republican Senators theoretically, his Democratic political organization failed to do so, and in one instance, notably in New Mexico, it openly opposed one of its unofficial Norris-La Follette supporters, the late Senator Bronson M. Cutting.

When Senator La Follette in Wisconsin was compelled to drop the Republican banner which he and his family had been carrying through two generations, he chose an independent one. He became a Progressive party candidate, which is to say, neither fish nor fowl. Furthermore, Mr. Roosevelt's political managers, in these particular States or others, have made no effort to cast out from their ranks those who have more conservative economic views. The Southern Democratic Senators who have been resisting his views to a considerable extent have not been asked to leave, and are not planning to do so.

Two sects have always existed in both major parties, sharing almost common economic views that were more radical than those of their respective party leaders. Their economic views have always cut across party lines. But only once have these currents led to a national political outburst. That was the La Follette-

Wheeler campaign in 1924, and its dismal failure has encouraged the strong resistance, since then, to any suggestions of rebellion or definite political realignment.

What has happened under Roosevelt is only an accentuation of the traditional cutting across party lines by economic views. The opportunity for a realignment on the basis of economics has become increasingly obvious. Theoretically, but not actually, the economic segments have come closer together, and it is apparent that only some sort of national disaster could break the ties that bind all groups to the past.

The stronger undercurrent is in another direction—toward improving the technical organization of the Democratic party, toward its establishment as a party recognizing economic change and one which offers a haven for the majority of voters. But this would not destroy the two-party system. This trend may be upset hastily in such troubled times as these, when there is a strong, shifting, dissatisfied element, when ideas are being pushed constantly toward extremes. Yet so long as the interested parties maintain a reasonable composure and continue to find their purposes served by the lines they have established, these will be the lines they pursue.

Social Change v. the Constitution

By CHARLES A. BEARD

IN May the Supreme Court of the United States emerged from "the twilight," where it had dwelt for two long years while President Roosevelt directed the national drama, and delivered three smashing decisions against the New Deal and its works. As if preparing to occupy its new palace of justice with pomp and circumstance it made manifest its powers, prestige and resolves in language so merciless as to admit of no doubt respecting its intentions. Observers who had supposed that the court did not imagine itself competent to handle the crisis in economy and thought were quickly disabused of the illusion and duly informed that this tribunal intends to play its historic rôle with all the engines of sovereignty at its command.

The first of the decisions, rendered on May 6, declared invalid the Railroad Retirement Act, providing a system of pensions for railroad employees. In presenting the opinion of the court, Justice Roberts held that the act denied due process of law "by taking the property of one and bestowing it upon another," and that the provision of such pensions lay beyond the power of Congress to regulate interstate commerce. These two propositions, which constituted the statements germane to the settlement of the case, Justice Roberts supported by citations and discriminations which he deemed appropriate, especially emphasizing the contrast between pensions and workmen's compensation. Nowhere in the act before him could he find

any "reasonable" relation to interstate traffic or to efficiency in railway operation.

Besides discoursing on what may be called the purely legal aspects of the issue, Justice Roberts expounded a social philosophy with his wonted vigor. He contended that the pension law would destroy, rather than promote, the loyalty of employees and was "an attempt for social ends" to assure "a particular class of employees against old age dependency" by infringing the rights of private property in a way not "necessary" or "appropriate" to the "due" fulfillment of the "railroads' duty to serve the public in interstate transportation." In substance this was the "sociological jurisprudence" of the celebrated *Ives* case of 1911, in which the New York Court of Appeals invalidated the Workmen's Compensation Act of 1910. It was so cogently and emphatically stated by Justice Roberts as to close the door upon such pension legislation and such features of the "security program."

Chief Justice Hughes must have felt himself on familiar ground as he prepared a vigorous dissent, in which he was joined by Justices Stone, Brandeis and Cardozo. He had been Governor of New York when the hot battle over workmen's compensation had been started and had taken a deep interest in the progress of that legislation. He was likewise acquainted with the repercussions and outcome of that contest. At all events, he was moved to protest against the absolutism of

Justice Roberts's law and against his view that a pension is largess taken from the property owner and bestowed upon workmen.

"The gravest aspect of the decision," said Chief Justice Hughes, "is that it does not rest simply upon a condemnation of particular features of the Railroad Retirement Act but denies to Congress the power to pass any compulsory pension act for railroad employees." Then, with a logic and a command of social history at least equal to the display of Justice Roberts, the Chief Justice argued that the power to establish a unitary retirement system for railway employees is within the constitutional authority of Congress. Moreover, he referred to the close study of advisable pension methods now in progress and warned his brethren on the bench that "it is not our province to enter" the field of technical discussions respecting the manner in which pensions should be set up. Thus he brought his jurisprudence abreast his thought in an area of law in which he had enjoyed long economic and political experience.


When, however, Chief Justice Hughes came face to face with the National Industrial Recovery Act of 1933 in the *Schechter* poultry case, he confronted an issue in economy and statecraft unlike workmen's compensation and kindred social legislation, already fought out in the national court of politics and opinion. By general agreement it had been conceded that the NIRA marked a break with the prevailing law touching consolidated industry, concentrated economic control and the aggregation of industrial activities under giant trusts, holding companies and combinations. The anti-trust acts designed to block this process of concentration had been tried for nearly fifty years and under

the conception of economy represented by them a ruinous panic had occurred. So Congress in devising NIRA reversed the traditional policy and substituted regulation and cooperation for prosecution and dissolution.

The collectivist conception embodied in NIRA was founded on the idea that efforts at the restoration of competition among primitive units of enterprise had failed in fact, and were not in line with an inexorable course of economic development.

Theodore Roosevelt, as Governor of New York and as President of the United States, had expounded that idea in numerous messages; and it was incorporated in the Progressive platform of 1912. It appeared in the Federal Trade Commission Act passed under the auspices of President Wilson, despite the contradictory philosophy of "the New Freedom." It was developed under Presidents Harding, Coolidge and Hoover, as the Federal Trade Commission and the Department of Commerce proceeded steadily, if cautiously, with promoting the formulation of codes of fair trade practices for the units of particular industries. It was incorporated in the planning proposals of the United States Chamber of Commerce in 1931. With the counsel of eminent business leaders it was incorporated, in wide applications, in the NIRA. Thus the idea was working its way into practice as it competed with the older idea of prosecution, dissolution and persecution.

Such was the issue in its time setting, an issue looking to the future, an interpretation of history to be made, that was presented to the Supreme Court in the *Schechter* case and decided on May 27. Chief Justice Hughes delivered the opinion for a unanimous court. Casting aside the caution, born of experience, displayed in the railway pension case, the Chief Justice be-



came as absolute as Justice Roberts in his cause. He declared flatly that the code-making provisions of the National Industrial Recovery Act constituted an invalid transfer of legislative powers from Congress, where they belong under the Constitution, to the President and other persons not endowed with legislative powers by that document. With equal firmness and universality of sweep, the Chief Justice disposed of the other phase of the case: the determination of hours and wages in such "local" industries does not "directly affect" interstate commerce and is beyond the constitutional powers of the Federal Government.

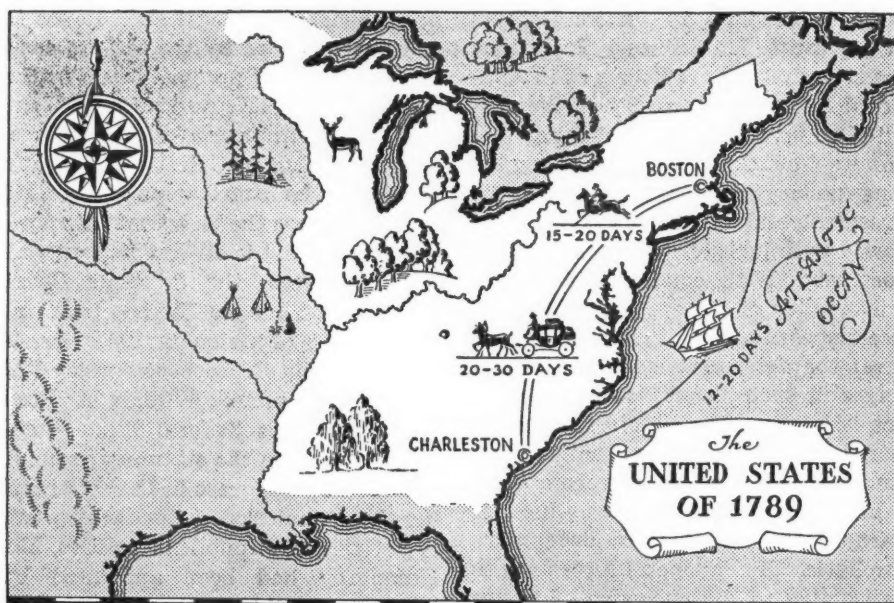
In a concurring opinion, Justices Cardozo and Stone were even more emphatic. "If centripetal forces are to be isolated to the exclusion of forces that oppose and counteract them," said Justice Cardozo, "there will be an end to our Federal system." In fine, Congress may in some measure correct the "improper delegation" of legislative powers by a curative statute, but, by a strict interpretation of interstate commerce, it is deprived of the authority to effect the fundamental purposes of the National Industrial Recovery Act.

While displaying an anxiety to prevent an invasion of legislative authority by the Executive, the Supreme Court, in the Humphrey case, also decided on May 27, stripped the President of the power to remove Federal officers, which many authorities in public law had long believed to be a part of his executive prerogative under the Constitution. This issue involved a long swirl of conflicts and opinions extending back to the formation of the Federal Government, and especially the dispute over the Tenure of Office Act passed during the battle between Congress and President Johnson in 1867. But it was supposed in

some quarters of legal competence to have been settled by the Meyers case, decided by the Supreme Court in the term of 1926-1927. As Professor Howard Lee McBain remarked at the time, in commenting on Chief Justice Taft's opinion, "the court went out of its way to express the view that this power [of removal] is all-comprehensive."

Nevertheless, the Supreme Court under Chief Justice Hughes took another angle of vision in 1935: President Franklin D. Roosevelt was without power to remove William E. Humphrey from the Federal Trade Commission save on the statutory grounds provided by Congress in the act creating the commission. After many years of activity in Republican politics, Mr. Humphrey had been appointed by President Coolidge and reappointed by President Hoover. During his term of office he had been outspoken, not to say dogmatic, in the expression of views against exercising too strict control over the operations of industries and corporations. His antagonism to the New Deal was well known, and President Roosevelt removed him on the simple ground that his conceptions of policy were not in accord with those of the administration. But Justice Sutherland, speaking for the court, declared that the President had exceeded his authority.

With the same unanimity the Supreme Court, speaking through Justice Brandeis, annulled on May 27 the Frazier-Lemke Farm Moratorium Act of 1934. Although this law was not regarded as a part of the New Deal and President Roosevelt had criticized it as loosely drawn, he had signed the bill in a mood of concession to the farm bloc. Despite the sanction which the Supreme Court had lent to the moratorium doctrine in the Minnesota case, Justice Brandeis made short shrift of



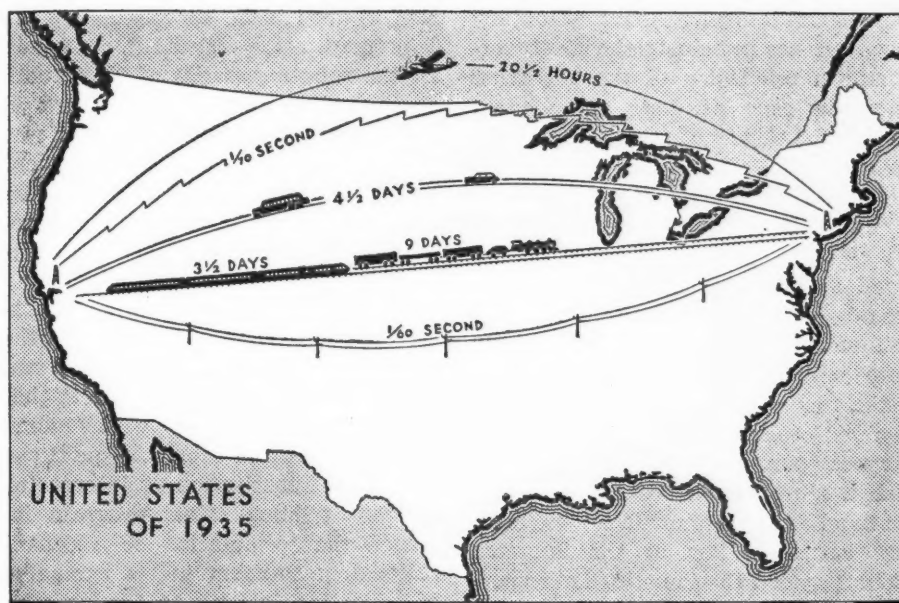
the Frazier-Lemke Act, laying emphasis on the provision of the Fifth Amendment, which declares that private property shall not be taken for public use without just compensation, rather than on the due process clause.

Delivered with trip-hammer strokes on the same day, as if for dramatic emphasis, the opinions of the Supreme Court in the NRA, Humphrey and Farm Moratorium cases fell upon the country like a thunderbolt, awakening excited hopes, fears and apprehension. Citizens who fancied that some fiat against "regimentation" could suddenly restore "confidence" and bring "recovery" greeted the decisions with rejoicing. "Wall Street Hails New Deal Defeats," ran the newspaper headline expressing gratification. As news of the decisions broke in the late afternoon of May 27, securities on the New York Stock Exchange made a spurt upward as if the great day so longed for had actually arrived. Republican leaders gave thanks for vindication in their strug-

gle against "regimentation," and looked upon the decisions as demonstrating the soundness of their demand for "a return to constitutional government."

At once cuts in the prices of many commodities were announced, hinting that the country might be at last upon the verge of that price-slashing which was to restore the "economic equilibrium" by releasing buying power. News of wage reductions in a few industries was reported at the same time, indicating the deflation of wages which was deemed, in many quarters, a necessary concomitant of the expected economic revival. Perhaps the decrees of the Supreme Court disrupting the New Deal would release the processes of price-cutting, wage reduction and deflation regarded as essential to the rapid operation of the capitalist system along orthodox lines.

On second thought, however, matters did not seem so simple and promising. The next day, May 28, stocks shot downward from 1 to 6 points "in



the second heaviest trading of the year." Leaders in great industries began to express dubious opinions. And it was made generally known to the public that, after all, NIRA had not been drafted by hare-brained political radicals engaged in a war on business. As the few acquainted with the history of its origins were well aware, it had been in large part the expression of an economic philosophy long expounded by the United States Chamber of Commerce, with some concessions to labor. But now many great economic enterprises, which had been rescued from the slough of 1933 by codes and by stabilization, were threatened by renewed internecine strife, boding evil rather than good for profits. From business circles all over the country telegrams began to pour in upon President Roosevelt, urging him to save all that was possible under the rulings of the Supreme Court. Speaking for the American Federation of Labor, William Green called for action designed to hold the

gains of labor and warned the country of impending strikes in case wage-slashing became the order of the day.

From Republican quarters came doubts also. As business leaders expressed fears of a downward slide, it was remembered that NIRA was not a mere measure for Democrats; there were Republican beneficiaries under it as well; for example, the textile manufacturers of New England, now threatened with renewed Southern wage reductions and hour increases. One Republican philosopher expressed a general opinion when he said that the destruction of NIRA might mean immediate prosperity, from which President Roosevelt would benefit, or it might mean another crash like that of 1933, which would make difficult a Republican campaign in 1936 on the favorite slogan of "abolish regimentation and restore prosperity."

In the political circles of Washington the decision of the Supreme Court in the NIRA case called forth a multitude of counsels. They may be swiftly

summarized: bring about voluntary acquiescence in industrial codes by offering a relaxation of the anti-trust laws in case of code compliance; amend the Constitution to permit Congress to deal effectively with the new economic and social conditions; call a national constitutional convention to effect a general revision of the fundamental law of the land (proposed by the agrarian-labor left); transform certain essential industries into utilities affected with public interest; create interstate compacts for the enforcement of provisions on wages, hours and child labor; establish a court of administrative review to handle such economic issues, leaving issues of law to the Supreme Court; amend the Constitution to permit the rendering of advisory opinions on constitutionality by the court; require a two-thirds majority of the court for the invalidation of statutes, and deprive the Supreme Court of the power to review social and economic policies as distinguished from questions arising out of the Federal system of States as such.

Out of the proposals and prognostications came little assurance. No one could accurately forecast whether the NIRA case was another Dred Scott case or merely a storm in a demitasse. There seemed to be no way of foreclosing on the future. Meanwhile, from the neighborhood of the White House came reports that the President's advisers were divided into three groups.

The first, headed by Hugh S. Johnson, urged him to prepare immediately "a new and better NRA," conforming to the limitations set by the Supreme Court, and secure enactment before the old law lapsed on June 16. The second proposed that the President should do nothing now, allow confu-

sion to grow more confounded as the Supreme Court carried the onus, and let the shouting critics of NRA, both conservatives and radicals, "stew in their own juice." This course, it was thought, would permit the President to assume leadership later, as the conflict of opinion intensified and economic uncertainty deepened. The third group among the President's advisers took a longer range of the future into its view. It counseled the President to accept the judicial annulment as finally demonstrating that it was impossible to cope with contemporary social and economic questions under the Constitution as interpreted by that tribunal. This program involved the formulation of a constitutional amendment and a campaign of education looking to fundamental changes in the distribution of powers within the Federal system.

Events waited on President Roosevelt's decision, though his practice of combining varying opinions for action indicated that he might well take something from each of the three strategies suggested. In the report of the White House press conference of May 31 President Roosevelt began to indicate a certain drift in his thinking. He stated that the Supreme Court decision interpreted the Constitution in the light of the "horse-and-buggy" days of 1789, thus suggesting that the Constitution so conceived had been outmoded by social and economic events. He expressed the thought that AAA, SEC, the Social Security Bill and the labor legislation pending in Congress had been jeopardized by the decision of the court. In measured words he referred to the Dred Scott decision as an important factor in the events which precipitated the Civil War. Still more significantly the President observed "with some asperity" that the court "seemed to recognize

mining as an instrument of interstate commerce when it supported injunction suits against miners, although the shoe was on the other foot when the question of miners' wages and hours was raised."

A crucial inference was drawn from the discussion by the reporters assembled at the conference: "The President felt that, if the Constitution made his Federal program for regulating economic conditions impossible, the Constitution must be changed."

As the days passed the news reported a continued searching of minds and hearts in the White House, while leaders in politics, business and labor unionism poured out comments and observations. On Sunday, June 2, it was announced that administration officials were considering the immediate submission of an amendment to the Constitution, giving Congress broad powers over social and economic affairs, coupled with a stipulation that ratifying conventions should be called in the States for a quick review. On Monday plans for salvaging all that was left of NRA after the Supreme Court decision were uppermost in the counsels of the White House. The next day came hints that the President was inclined to postpone the issue of a constitutional amendment and to recommend legislative measures.

By June 6 the administration program had become fairly settled. It included the following elements:

1. Continuance of NRA until April 1, 1936, stripped of all powers save those of fact-finding and enforcing minimum hour and wage standards in cases of government purchases;
2. The possible addition of other powers later in the present session;
3. Modification of liquor control legislation in line with the Supreme Court decision on codes;
4. Similar modifications in AAA;
5. Continuance of the Petroleum Control Board;

6. Renewal of the Bankhead Cotton Control Act;

7. Amendments to the Pure Food and Drug Acts;

8. Passage of certain bills now pending such as—

- (a) the utility holding company measure,
- (b) the Wagner Labor Disputes Bill,
- (c) the Motor Bus Regulation Bill,
- (d) the Guffey bill for control of soft coal production,
- (e) the social security measure and
- (f) the Banking Bill (see page 353).

The plan for proposing an amendment to the Constitution authorizing social and economic legislation was postponed, with the hint that it might be revived later, perhaps next year.

In view of the fact that the Supreme Court decision in the NIRA case wiped out the obligatory codes, including provisions touching hours and wages, and rendered functionless most of the NRA machinery, President Roosevelt announced on June 4 the approaching end of several divisions of that administrative organization: the Office of Special Adviser to the President on Foreign Trade; the National Labor Relations Board; the Petroleum Labor Relations Board; the Textile Labor Relations Board; and certain other boards in the field of labor relations.

Meanwhile, business leaders and associations were pledging themselves to maintain by voluntary cooperation many of the minimum standards formerly set up in the codes; and trading on the Stock Exchanges indicated a returning, if cautious, strength. After all, recovery had not come in the night; neither had the American economic system fallen into complete ruin. Nothing had been closed or opened forever; the movement of interests and ideas continued.

Nevertheless, forces opposed to any "tinkering" with the Constitution were gathering. The Liberty League issued a blast against the very idea.

On Sunday, June 2, Senator Borah made an impassioned address against President Roosevelt's tentative suggestions. The Senator defended the handiwork of Hamilton, Madison and Jefferson, and was content to stand by the distribution of Federal powers made by the Constitution as interpreted by the Supreme Court.

There was, it is true, a little historical contradiction in Senator Borah's philosophy. In the constitutional convention of 1787, Hamilton had proposed to vest in Congress the "power to pass all laws whatsoever" subject to executive veto; he had proposed that the Governors of States should be appointed by "the General Government"; and he had urged tenure during good behavior for the Chief Executive. In the same constitutional convention, the Virginia Plan, sponsored by Madison, proposed to give to Congress the power to legislate "in all cases to which the separate States are incompetent or in which the harmony of the United States may be interrupted by the exercise of individual legislation." As for Jefferson, he was not a member of the convention which drafted the Constitution; he had opposed ratifying it in the form in which it came from the convention; and he declared that Marshall's argument accompanying his action in annulling an act of Congress was an "obiter dissertation" and contrary to the very nature of the Constitution. But such little matters of historical fact did not disturb Senator Borah in rallying to the defense of the work of Hamilton, Madison and Jefferson, as against Tugwell, Hugh Johnson, Richberg and Roosevelt.

Viewed in the light of long history the exit from the impasse depended upon the gravity of the crisis itself. Was the depression a mere passing show, soon to be over and forgotten?

Or was it deep-seated and, if relieved for the moment, a mere precursor to another boom and burst bequeathed to the next decade? Was it true after all that the Constitution, as distinguished from the judicial opinions advanced by a passing generation of men, did not permit the Federal Government to adopt measures appropriate to the concentration and integration of wealth and economy? Nothing less fundamental was involved, and historical analogies were applied by students of public affairs.

Only three times in American history had the Supreme Court thrown itself resolutely across currents of powerful interests and ideas. The first was in the Dred Scott case, decided in 1857, when the court declared that Congress had no constitutional power to abolish slavery in the Territories, and thus made impossible a resolution of the contemporary conflict by legal methods. The answer of history was the Civil War and its aftermath—the Thirteenth, Fourteenth and Fifteenth Amendments profoundly altering the Federal system. The second effort of the Supreme Court to block the course of Federal policy came during and immediately after the Civil War, when by various decisions it attempted to put restraints upon the President and Congress. The answer of history was a curtailment of the appellate jurisdiction of the court, an increase in the number of judges from seven to nine, and a reversal of the legal-tender decisions after the appointment of two new judges known to be favorable to a reversal. The third effort was made in 1895 when the court declared most of the income tax law of 1894 invalid. The verdict of history on this occasion was a reversal of the court by the process of amendment. Were the forces represented by NIRA deep-seated or transitory?

Who Shall Rule the Money Market?

By ELLIOTT V. BELL*

WHO shall control the nation's money supply, the bankers or the government? This has been the fundamental issue behind the fight over the Banking Bill of 1935.

Like the historic money issues of the past, including Bryan's campaign of 1896 and the struggle over the original Federal Reserve Act in 1913, the contest has been sectional. Beneath the bewildering technicalities of the debate there has been evident the old, deep-seated fear and distrust prevalent in the West of New York's dominant influence upon credit.

That the issue was not apparently as clear-cut as it had been on earlier occasions was probably due to the character of the debate, which was carried on largely between experts and upon a more sophisticated plane. Perhaps some of the important New York bankers who so vigorously assailed the bill would deny that any sectional issue was involved. But the other side of the debate has made no bones about it.

Amadeo P. Giannini, the Far West's leading banker, came out in favor of the bill with a blast that roundly declared the opposition of the New York banks to be based on an effort to perpetuate their domination of monetary and credit policies. Marriner S. Eccles of Utah, governor of the Federal Reserve Board and chief sponsor of the bill, declared that the real issue

was control over the volume and cost of money and asserted that the irreconcilable opposition to centralizing this control in a government body came from a few banking and business leaders, "particularly in New York." He argued that our money system should be "controlled for the benefit of the nation as a whole and not for the benefit of special interests." "Certain private interests, which cannot escape a share of the responsibility for the banking collapse, wish to perpetuate the present unsatisfactory situation," Mr. Eccles declared, and a moment later he plastered the onus of this accusation upon New York while at the same time he asserted that "this attitude is by no means characteristic of all of the bankers of the country."

The New York bankers, tearing up the last shreds of the "truce" they had made with the President last October, countered with the cry of "inflation." The real purpose of the bill, they said, was to give the administration "complete control of the Reserve System's bond-buying policy" so that, "in case continued spending and borrowing should impair the government credit and drive from the market private banks and other investors," the government could finance itself by dipping into the central bank. This, they pointed out, was the course Germany followed in her ruinous inflation.

The bill would turn the entire banking system of the country over to the tender mercies of partisan politics, the New York bankers asserted. At

*A member of the financial news staff of *The New York Times*, Mr. Bell contributed an article entitled "The Bankers Sign a Truce" to *CURRENT HISTORY* for December, 1934.

the same time, they said, it failed completely to recognize the fundamental defects of the banking system itself.

The debate has been almost exclusively concerned with one section of the bill, Title II. Titles I and III aroused almost no controversy, for they were chiefly concerned with remedying errors that had inadvertently crept into earlier banking legislation. But before considering any details of the bill let us consider some aspects of the money market which it seeks to control.

When Mr. Eccles spoke of control over money he was not, of course, referring merely to the kind of money that jingles in the pocket or that is carried in a billfold. He meant the total supply of money, consisting of currency, plus the demand deposits in commercial banks that circulate through the medium of bank checks. In the United States currency is only the small change of the money supply, for nine-tenths of all business is done by means of checks. Control over the currency is vested in Congress by the Constitution and nobody thinks of questioning that arrangement.

Control over that much larger and more important part of the money supply—bank deposit or check money—rests very largely with the banks. It is this part of the money supply that has fluctuated so greatly during the depression. Between 1929 and the pit of the depression, demand deposits shrank at least 30 per cent. In the same period the amount of currency in use actually expanded because of hoarding.

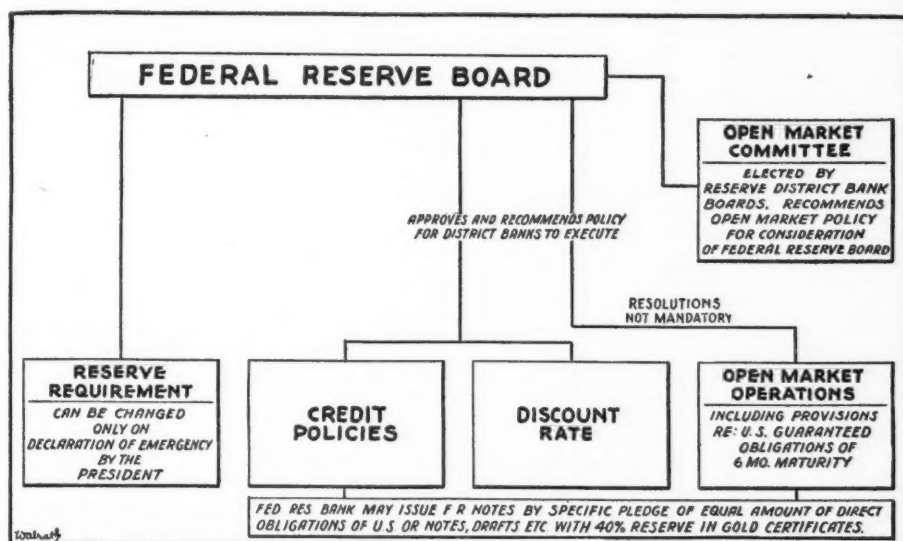
Economists do not agree whether the shrinkage of the money supply was cause or effect of the depression. The bankers, for the most part, contend that the shrinkage in demand deposits resulted from a deflation

arising primarily from conditions outside the field of money. But the underlying theory of Mr. Eccles's bill, as he has expounded it, is that "fluctuations in production and employment, and in the national income, are conditioned upon changes in the available supply of cash and deposit currency, and upon the rate and character of money expenditures." He holds that "during the depression the supply of money did not expand and thus moderate the effect of decreased rates of spending, but contracted rapidly and intensified the depression."

"The need for public control of the function of supplying the medium of exchange for the people of the United States, both by issuing currency and by regulating the volume of bank deposits, seems to be almost a non-controversial matter," Mr. Eccles asserts. "It is in direct recognition of the constitutional requirements that Congress shall coin money and regulate the value thereof."

This theory the bankers have flatly rejected, and it must be admitted that in so doing they have had the support of a great many experienced economists. Thus to the issue of who should control the money supply there has been added the highly controversial question of just how important are fluctuations in supply.

The banks can directly influence the volume of deposit money by their credit policies. When banks make loans and investments they create deposits and when they call in loans or liquidate investments deposits are reduced. But the banks do not have an entirely free hand in the matter. If, during the deflation years, bank customers insisted on paying off loans, the banks could not be held responsible for the decline in deposits this entailed. More recently we have witnessed an unparalleled rise in bank



The present money market functions of the Federal Reserve System which the new banking bill proposes to change

deposits as a result of the government's policy of financing its deficit by the sale of its securities to the banks in exchange for "book credits."

The controlling factor in determining the ability of banks to expand or contract deposit money is the legal reserve requirement. Member banks of the Federal Reserve System are required to maintain a reserve against their demand deposits equal on the average to 10 per cent. This reserve is deposited with the Federal Reserve Banks. Before a bank can "create" \$10 of deposit money through lending or investing that amount, it must have available \$1 of reserves in excess of its existing legal requirements.

There are three main ways in which banks can secure reserves. One is to import gold, a second to "rediscount" or borrow from the Federal Reserve Banks, and a third is for the Federal Reserve Banks themselves to put reserve money into the market through "open-market operations"; that is,

the purchase or sale by the Federal Reserve Banks of government securities, bankers' acceptances or other financial instruments. When a Federal Reserve Bank buys \$1,000,000 of government securities it pays for them by means of a check drawn upon itself, and this check, upon being deposited with a commercial bank, gives that bank \$1,000,000 of reserve money which it can make the basis of an expansion of \$10,000,000 of its own credit. If the Reserve Bank should sell \$1,000,000 of government securities out of its holdings, it would take that much reserve money out of the market, because the check which it received in payment would be debited against the reserve balance of some member bank.

Control over the money supply depends therefore upon control of bank reserves, and the two chief instruments of this control have been open market operations on the part of the Reserve Banks and changes in the rediscount rate.

As the Federal Reserve System was constituted this control was often clumsy in its operation and ineffective in its results because there was no central authority with a clearly defined responsibility for exercising control. The Banking Bill of 1935 seeks to establish the Federal Reserve Board in a position of complete authority over the money supply by placing in its hands the machinery for influencing bank reserves.

In centralizing control in the Federal Reserve Board the bill begins by making the board itself more responsive to the President and by making the operating officers of the Federal Reserve Banks responsive to the board. The Federal Reserve Board consists of eight members, two of whom, the Secretary of the Treasury and the Controller of the Currency, are *ex officio* members, while the other six are appointed by the President with the approval of the Senate. One of the six appointive members is designated Governor of the board. The bill provides that the designation of the Governor should cease upon the order of the President, which, in effect, means that three of the eight members of the board would be political appointees.

Under the original act each of the twelve Federal Reserve Banks which make up the system has a board of nine directors, of whom six are elected by the member banks and three are appointed by the Federal Reserve Board. One of these three appointed directors is called the Federal Reserve Agent and is chairman of the board. In practice, however, the Federal Reserve Agent has not been the chief operating officer of a Reserve Bank. That office has been held by the Governor of the bank, who is elected by the board of directors.

Under the new bill the offices of chairman and Governor are combined and a new office of Vice Governor is created. It is provided that the Governor is to be elected as before by the directors, but his election is made subject to the approval of the Federal Reserve Board. Selection of the Vice Governor is placed upon the same basis. Thus the chief officers of the Reserve Banks, who had previously been responsive principally to their own directors and, consequently, to their local member banks, are made directly responsive to the Federal Reserve Board, which has power to terminate their incumbency once in every three years when they come up for re-election.

Having established this discipline the new bill proceeds to invest the Federal Reserve Board with powers to direct the operations of the Reserve Banks in control of money. This control involves the use of three methods of influencing member bank reserves—changes in the rediscount rate, open market operations and changes in the legal reserve requirements of the member banks.

Under the original act the Federal Reserve Banks were authorized to establish rates of discount "subject to the review and determination of the Federal Reserve Board." Though in practice the Reserve Board has established its power to initiate rate changes, it has been chary of using this power.

The new bill explicitly invests the Reserve Board with authority to fix rediscount rates, ending any question of its powers over that measure of control. A few bankers have objected to this change on the ground that the record of the Reserve Banks themselves has been better in the matter of rate changes than that of the whole Reserve Board, but on the whole this

point has not been challenged, for it would not greatly change existing conditions.

Open market operations were originally a matter for individual determination and action by the Reserve Banks, but over the years these institutions have themselves developed a machinery for loosely coordinating their purchases and sales of securities. They organized an Open Market Committee, consisting of representatives of each of the twelve regional banks, which met in Washington from time to time and discussed open market policies.

This arrangement was officially recognized in the Banking Act of 1933, but the Open Market Committee has power only to recommend purchases or sales. The Federal Reserve Board has the authority to approve or disapprove the recommendations, and the 108 directors of the twelve Federal Reserve Banks have the right to decide whether their respective banks would fall in with the policies proposed by the Open Market Committee and approved by the board. According to Mr. Eccles, "a more effective means of diffusing responsibility and encouraging delay could not very well be devised."

Under the new bill the Federal Reserve Board is given the power to determine open market policies and the Federal Reserve Banks are required to carry out the instructions of the board in this respect and to undertake no open market operations without the board's approval.

It is this delegation of complete authority over open market operations to a majority of the Federal Reserve Board, three of whose eight members are to be political appointees, that has aroused the greatest storm of criticism. Charges have been made that the bill paves the way for the financing

of the government's deficit out of the funds of the Federal Reserve Banks and hence to the possibilities of inflation such as have been experienced in Germany and France. This fear is based upon the belief that under the bill there is nothing to prevent the government from ordering the Federal Reserve Banks to buy an unlimited quantity of government securities directly from the Treasury instead of through the open market.

Direct purchases of government securities by the Reserve Banks would have precisely the same effect upon the money supply as purchases through the open market—but they would relieve the government of all care as to the state of its credit. Under the ordinary methods of financing, the government must adjust its borrowing to what the market will provide. If the government expands its debt too recklessly, the banks and other purchasers of government securities will become alarmed and will not buy. Then the government must retrench until its credit is restored. If, however, the Treasury is able to plunge its hands into the rich pool of credit that constitutes the Reserve System, all restraint upon it would be removed and it could drastically inflate its deficit.

The leading financiers have been unanimous in their denunciation of this possibility. "It was the exercise of this very kind of power," said Owen D. Young, "which led to the currency and credit downfall in Germany and the ultimate destruction of the Reichsbank."

But the proponents of the bill have insisted that there can be no effective control over money without centralized control over open market operations. They contend that the cry of "inflation" is hysterical and point out that if the administration has in mind

setting up machinery for the endless financing of government deficits, without recourse to the market, it already has available \$5,000,000,000 of unused funds in the shape of the stabilization fund and the greenback provisions of the Thomas amendment.

The third instrument of control over money—the authority to change member bank reserve requirements—already exists as an emergency measure in a section of the Thomas amendment which provides that if the President declares that an emergency exists, the Reserve Board may change reserve requirements. But the new bill eliminates the necessity for the proclamation of an emergency and gives the Reserve Board sole discretion.

The far-reaching character of this power cannot be overemphasized. Under the system of fixed reserve requirements banks know exactly how far they can go in expanding credit on a given base of reserves. But if the Reserve Board is to be free overnight to require the banks to keep not 10 per cent, but 15, 20 or 100 per cent reserves against their deposits, it thereby has the power instantly to transform a condition of ease in the money market into one of acute stringency.

The bankers hold that this is like asking them to play a game in which the rules are subject at any moment to change without notice. They assert that it gives the Federal Reserve Board the power of life or death over the banks. If the power should be used in a discriminatory way it would mean that every bank becomes the prey of the politically controlled Federal Reserve Board. If a bank should lose favor with the party in power, it might face destruction by the punitive use of the board's powers to change its reserve requirements.

The fears over this section of the

bill have been intensified by the known circumstances that certain Federal Reserve advisers, whose theories have strongly influenced the Eccles Banking Bill, have advocated a system of 100 per cent reserves for commercial banks which would, in effect, involve virtual government expropriation of the banks. The bankers fear that this provision of the new bill could be used ultimately to put into effect the 100 per cent plan.

The advocates of the bill contend that the power to change member bank reserve requirements is already in the law and that the new bill merely puts that power into a more usable form by relieving the President of the necessity of declaring an emergency. It is, according to them, an essential means of controlling bank reserves and hence of influencing the supply of money.

There has been, in fact, justification for this provision which neither side of the debate has emphasized. That justification lies in the enormous potentialities for credit expansion that have been created. Open-market operations of the Reserve Banks and gold imports have combined to pile up in the commercial banks a fund of reserve money \$2,300,000,000 in excess of existing requirements. This fund, under the existing average reserve requirements of 10 per cent, could potentially be expanded into at least \$23,000,000,000 of bank credit.

The existence of this unprecedented fund of "excess reserves" constitutes the real threat of "inflation," and provides the strongest justification for measures of control over bank reserves. In the face of so large a surplus of bank reserves the control afforded by discount-rate action and open-market operations might easily prove ineffective, but the power to

change member bank reserve requirements makes possible complete control over excess reserves. It means that, if it becomes necessary to check a dangerous boom, the Federal Reserve Board could wipe out the entire excess overnight by raising reserve requirements to 100 per cent.

But the bankers argue that it is not so easy for any government to use its authority for the unpopular purpose of checking a boom. All history has shown, they say, that political influence over money and credit is directed in only one way—toward expansion.

There are, of course, other important features in the new bill apart from those directly concerned with the control of the money supply. But many of these stem out of the control provisions and the discussion they have aroused has been dwarfed by the larger implications of the main issues.

The bill provides for the liberalization of discounting activities by the Reserve Banks so as to make "any sound asset" eligible, in place of the previous restricted list of assets. It also abolishes the previous legal requirements for commercial paper collateral behind Federal Reserve notes, substituting therefor a provision making the notes a first and paramount lien upon all of the assets of the Reserve Banks. These changes place a new emphasis upon managerial discretion instead of the old system of "automatic controls."

Still more, these changes emphasize the fundamental effect of the measure, which is to convert the Federal Reserve System from its original form, described by President Wilson as a "democracy of credit," into a central bank, more like European institutions of the kind. With all impor-

tant powers delegated to a central authority in Washington, the semi-autonomous Federal Reserve Banks become merely branches of the unified system.

New York's paramount interest in such a plan to centralize control over the money system is obvious. Long before the Federal Reserve System was thought of, New York became the nation's money market—the reservoir into which flowed the banking resources of the country. It is here primarily that the demand for credit has been matched against the supply and the price of money determined.

The original Federal Reserve Act was expected to curb New York's dominant influence over credit by centralizing bank reserves in the twelve Federal Reserve Banks instead of permitting them, as previously, to flow into the big city banks. But it has not succeeded in that objective. On the contrary, the Federal Reserve Bank of New York, by virtue of the fact that it holds about one-third of the resources of the Federal Reserve System and because of its strategic location in the money market and the character of its management, has become more important than all the other Federal Reserve Banks put together.

This has not arisen from any machinations on the part of the New York bankers. It has been an inevitable development, paralleled in other countries. In every nation one city becomes the money market. But the United States is unique among great nations in having its financial capital and its political capital in two different cities. If Washington, like London and Paris, were the money market of the nation as well as the seat of the government, the debate over the banking bill might have taken a different course.

War Veterans and Bonus Politics

By TURNER CATLEDGE*

WHEN the Senate on May 23 upheld President Roosevelt's veto of the Patman "Greenback" Bonus Bill, the movement for cash payment of the World War adjusted service certificates—which is not due before 1945—was halted at the furthest point of its steady advance since 1930. But apparently the halt was only temporary. From the time a bonus for World War veterans was first mentioned seriously until the recent action of the Senate no President has been able to withstand the veterans' pressure.

Despite Mr. Roosevelt's unprecedented and dramatic appearance before a joint session of Congress on May 22 to deliver his veto message and his simultaneous radio appeal to the country, he was sustained only by a minority. The House promptly overrode his objections by an overwhelming vote. The Senate voted, too, 54 to 40 to disregard his protestations, but the forty negative votes were sufficient to prevent enactment. The bonus question, therefore, now appears as far from settlement as it did after President Harding's veto of the original act in 1922. Then—as probably today—it was only a matter of time before the Presidential objections were overridden in favor of the ex-service men.

When in 1917 the United States began to organize for war, a wise and long-headed administration sought to make every possible provision for the future welfare of the soldiers. It

asked, moreover, how it could insure in advance against a recurrence of the pension graft that had followed every war, from the Revolution to the Spanish-American conflict. The War Risk Insurance Act of October, 1917, was regarded as the answer. The men were insured against disability or death incurred in service and provision was made for their rehabilitation when they returned to civil life. Concurrently, the government undertook to adjust the enlisted man's pay, offering to match dollar for dollar the amount he allotted to his family while he was away from home.

The basis for this act was the acknowledgment by the government of an obligation to those who risked their lives in defense of their country. There was no thought, neither in the minds of the legislators nor of the men who were marching away to war, that a debt in dollars was due those who returned unscathed from what was then regarded as a patriotic mission. The War Risk Insurance Act was accepted as an ideal. It was hailed as effective, preventing a "pestiferous pension graft" in the future. But it was not to suffice. As wise and long-headed as were its framers, they had not discovered then, nor has there been found since, the way to meet the emotional appeals of self-seeking politicians.

A movement for a soldiers' bonus started the day the war ended, for a bonus bill was introduced in Congress within an hour after the armistice was signed. At first there was a general feeling throughout the coun-

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American World War Statistics

Total number in military forces.....	4,326,929
Total overseas.....	2,151,644
Killed in action.....	38,714
Died of wounds and other causes.....	21,342
Wounded and missing	234,878
Invalided from service	17,041
Total casualties.....	311,975
Bonus certificates in force	3,677,000
Face value of certificates	\$3,500,000,000
Loans on certificates.	\$1,700,000,000

try, springing from a deep sense of gratitude, that something should be done to help the men find their way back into civil life. It was this that prompted the enactment of the first bonus law—a rider to the Internal Revenue Act of 1919—providing a discharge allowance of \$60 to each soldier as he left the service.

This merely started the bonus agitation. As the men were discharged from the army they returned in jobless droves to every section of the country. Soon petitions for relief began pouring into Washington. Within a year nearly 100 bonus bills were introduced in Congress. Out of the urge and confusion grew organizations to carry on the fight, and there also developed the theory upon which the present bonus was founded—namely, that adjustment should be made to the veterans for the small pay they received in the army in contrast to the higher wages and profits reaped by those who stayed behind in the factories, munitions plants and private business.

The drive was first directed toward the State Legislatures. Soon after the war many individual States enacted

legislation providing additional special bonuses. Between April, 1917, and June, 1930, more than \$500,000,000 was distributed among World War veterans by their own States. But politically ambitious veterans and their political advocates were not to be satisfied by State aid. The Federal Treasury was likely to be more fruitful, and pressure was turned upon the government for more generous grants. The claim they presented was easy to justify with the rank and file of citizens. The contention that those who stayed at home in private employment enjoyed special privileges and unwarranted remuneration was accepted. President Roosevelt has accepted it also, describing this contention in his veto message as "true—bitterly true."

The agitation continued from 1920 until 1924. In 1920 a bonus bill passed the House by a 3-to-1 vote but was smothered in the Senate Finance Committee. Another bill was presented in 1921, but likewise was killed by the Senate after President Harding made a dramatic personal appearance before that body and urged "delay" in legislation of this type in order to avert "disaster to the nation's finances" in a time of economic stress.

After the Congressional elections of 1922 President Harding signified his willingness to approve a bonus bill if a tax were levied to pay the cost. He suggested a sales levy. When a bill was passed by both houses, but without the revenue provisions, he promptly vetoed it. The House overrode his objections by a 5-to-1 vote, but the Senate sustained him by a slender margin.

The final bonus bill—the World War Adjusted Compensation Act—was passed in 1924 over the veto of President Coolidge. He raised the protest that "we owe no bonus to able-bodied veterans of the World War." This law

was intended to provide veterans not with cash, but with paid-up twenty-year endowment policies that would furnish security for their old age and protection in the meantime for their dependents. It was never intended by Congress, nor by the veterans' leaders who helped frame the act, that these certificates should be due or payable before the end of the twenty-year period.

The act offered to each veteran below the rank of major in the army and lieutenant commander in the navy adjusted service credits of \$1 a day for home service and \$1.25 a day for overseas duty. The total was to be increased arbitrarily by 25 per cent as additional compensation for the deferred payment, and the whole amount, as thus augmented, was to be kept at 4 per cent compound interest for twenty years, when it would reach the "maturity" value shown on the face of each certificate. But congressional leaders repeated the mistake made in the War Risk Insurance Act in 1917. They thought they had settled the question, and the responsible leaders of the veterans apparently agreed, declaring that they had wanted nothing better. They spurned the idea of a cash bonus, which one of them described as "too much like a gift or a present from the government."

For six years the bonus question rested. Several months after the act was forced through only 1,300,000 of the 4,600,000 eligibles had applied for their certificates. Neither the veterans nor their Congressional advocates made any serious attempt to force prepayment of the bonus. These were boom years; ex-service men, enjoying their share of the "good times," seemed content to return to Congress men devoted to continuing prosperity.

But with the economic pinch of 1930, the cash payment movement started, and by 1931, its growth had become so formidable that a conservative Republican Congress was stampeded into enacting, over the veto of President Hoover, a law allowing veterans to borrow up to 50 per cent of the maturity value of their certificates. A personal appeal by President Hoover to the American Legion convention in the Fall of the same year prevented that organization from demanding bonus payment at the next session of Congress. But the movement was gaining momentum as the depression deepened and the hardships of ex-service men multiplied.

The issue flared up dramatically in the Spring of 1932 when a ragged, penniless mob of 20,000 men and women—the "Bonus Expeditionary Force"—invaded Washington. They began gathering in June and remained in the capital, squatting on vacant lots and in the boggy flats of Anacostia, until the regular army drove them out of town with tear gas, tanks and bayonets. While the B. E. F. was encamped within sight of the Capitol, the Patman Bonus Bill, practically identical with the one recently vetoed by President Roosevelt, came to a vote. The House gave its approval by a 5-to-4 vote, but in the Senate the nays had it, 3½ to 1. Meanwhile, the party conventions had ignored the bonus, and in the ensuing Presidential campaign both candidates were hostile to its being paid.

Efforts to stir up the bonus issue in the special session of 1933 were abortive. Congress, too much concerned with lifting the country as a whole out of the depth of the economic depression to listen to the pleas of any special group, defeated a bonus amendment offered to the Ag-

ricultural Adjustment Act. But in 1934 the Patman Bill was brought forward again. The House discharged its Ways and Means Committee from considering it when it became apparent that the committee would not report it, and forced a vote on the floor, where it was passed by a margin of 2½ to 1. It was then halted again in the Senate, by a margin of 5 to 3 against it.

Although forty-five Senators who voted against the Patman Bill in the Spring of 1934 were returned to their seats in November, 1934, conservative leaders early abandoned all hope of preventing that body from passing some sort of bonus bill in the 1935 session. A counting of noses among Senators, old and new, showed that enough had given pledges in the Congressional campaign to make adoption of prepayment legislation a certainty.

Thus, when the present session was convened, the only questions to be settled regarding the bonus were, first, the form, and, second, the strength for enactment over a certain Presidential veto. A single stroke answered both questions. Out of all the disputes over the form of the measure both houses finally adopted the Patman "Greenback" Bill, proposing payment of the full maturity value of the adjusted compensation certificates in currency printed for that purpose. This was a bill which President Roosevelt could and did veto in the strongest of terms, one whose currency novelties permitted Senators to sustain the veto.

The President's objection to the Patman Bill were set forth in what has been widely characterized as so far the strongest State paper of his administration. He left little doubt that he would veto any bill for cash payment of the bonus before 1945.

Apart from the inflation issue involved in the Patman Bill, he took up and refuted the arguments advanced for cashing the certificates now, reasserting the principle that veterans, simply because they wore a uniform during the war, are not entitled to special consideration. He contended specifically that prepayment of the so-called bonus would violate the principle of veterans' benefits carefully formulated during the war, as well as the entire basis of the Adjusted Compensation Act of 1924.

No President, with the technical exception of Mr. Harding, has been able to stand successfully against the bonus pressure, and there is no convincing evidence that Mr. Roosevelt, despite his dramatic victory of May 23, will be any exception. President Coolidge vetoed the original act and it was later enacted over his objections. President Hoover in 1931 disapproved the amendment extending the loan value of the outstanding certificates, but his veto was overridden. President Roosevelt has resolved all doubt as to his position. Not only has he re-echoed the warnings of his three predecessors—that the veterans are pursuing a short-sighted policy in demanding a gratuity simply because they have the power to do so—but he has made his language fit the situation of today.

The veterans, nevertheless, comprise probably the largest and most closely knit "special pleader" groups in the United States. Their leaders know full well how to apply pressure to individual Representatives and Senators. They are expert in the use of political fright. More than 3,500,000 people of voting age would be directly affected by bonus legislation, and they wield a political influence upon at least that many more. The type of agitation that has been car-

ried on among the veterans by their so-called political friends has made it impossible for the President or any one else to reason with them. They have been told repeatedly that the amount of their certificates has been due and payable for several years and that it is being withheld by their own government.

Much of the bonus agitation in recent years has been attributed to a misunderstanding occasioned by the form of the adjusted compensation certificates. Brig. Gen. Frank T. Hines, Administrator of Veterans Affairs, has lately complained:

"There seems to be an opinion widely prevalent that the amount shown on the face of the adjusted service certificate—as being due in twenty years from the date of issuance—represents the adjusted service credit of \$1 and \$1.25 a day. In fact, that figure spoken of as the amount of adjusted service certificate really represents the 'maturity value' of a twenty-year endowment life insurance policy. Actually that is what the adjusted service certificate is, and that is what Congress intended and desired the veterans should receive. The 'maturity value' stated on the face of the certificate in the average case represents approximately two and one-half times the adjusted service credit computed on the basis of \$1 and \$1.25 a day."

But no amount of such reasoning, even by one who is so highly regarded as General Hines, could now convince the average bonus-seeker that the amount stamped on the face of his certificate is not due, and due now.

Approximately 3,677,000 adjusted

service certificates are now outstanding, with an aggregate maturity value of about \$3,500,000,000. Of this number more than 3,000,000 have been pledged as collateral for loans amounting in the aggregate to more than \$1,700,000,000.

Whenever the time for payment comes, whether in 1945 or earlier, there will be a well-nigh irresistible urge to forgive or rebate the interest that has been accumulating on loans made to veterans against their adjusted service certificates. President Roosevelt has been emphatic in condemning any plan to rebate interest on the bonus or any other debt due the government. The same pressure, however, that could force cash payment of the certificates before their due date in 1945 could force a rebate or cancellation of interest. In fact, the two proposals most favored by Congress—the Patman and Vinson bills—both provide for cancellation.

If repayment of the adjusted service certificates is forced upon Congress, President Roosevelt, at least, has little doubt that the "pestiferous pension graft" will then be upon us. "I do not need to be a prophet," he said in his veto of the Patman Bill, "to assert that if these certificates, due in 1945, are paid in full today, every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age." If prepayment of the certificates is voted by Congress, it will not take a prophet to predict what Congress will do when called upon for pensions.

Mussolini's African Adventure

By IGNATIUS PHAYRE*

ITALY for over fifty years has looked with longing eyes upon the land of Abyssinia. This tropic storehouse of coal and iron and copper, oil and cotton, sugar, coffee and grain is what Italy needs to compensate for a poor soil, a teeming population and scanty outlets overseas for her unbounded national energy. So vital has become the urge for African expansion that Italians are ready to face a rupture with the League of Nations, if it should decide that they are wrong in seeking in Abyssinia what they think is their right.

It is a long way—much longer politically than in point of time—from the Italy of Francesco Crispi to that of Benito Mussolini. What Mussolini, the ablest constructive statesman of our post-war period, has done for his people, spiritually as well as materially, is a miracle to those who knew the languor of Italy under the old régime. Yet he feels that this is not enough. A still greater guerdon would be a rich colonial empire with all the resources that are to be found on the Abyssinian plateau.

An anarchic land is Abyssinia, where society is based upon chattel slavery, where roads and bridges do not exist and where, outside the few scattered towns, rock salt passes as money. A forgotten Christian polity is here, trailing away to African savagery in the lowlands—Moslem and heathen—

to say nothing of a metropolis where the very elements of sanitation are still left to the hyenas and pariah dogs of the dusty lanes or the eucalyptus woods beyond.

So Italy adds to her other pleas for a free hand in Abyssinia her mission as an agent of our common civilization in the last stronghold of African negation. Her voice on this score is very loud. Mussolini has a well-drilled propaganda department under his son-in-law, Conte Galeazzo di Ciano. Italy's "case" is made to ring through the Old World and the New, while Addis Ababa's is hardly heard at all; it is like the tinkle of an alpine cowbell beside skilled radio broadcasters whose news and views cover the whole earth.

Mussolini is Italy. All power is his; and the note of him is pride—as a study of his own writings and speeches reveals. Pride is even more apparent when this magical mover of men's minds thrills the Chamber with "the character and extent of our precautionary measures" at Ethiopia's anxious door. In this, he insists, "nobody can arrogate the intolerable claim to intervene in our concern." Only Italy may judge in so very delicate a matter, this Italy that "has in her history a dramatic, bloody and unforgettable experience on this point."

Here Mussolini alludes to Menelik's utter defeat of General Baratieri's army in 1896, and the humiliation and shame which that rout entailed at home and abroad. Then, as now,

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the subjugation of Abyssinia was the goal. But Menelik, King of Shoa, lay in wait for the invaders with 90,000 of his men strongly posted in the hills above Adowa. One after the other, Baratieri's four brigades were overwhelmed, cut up or captured.

Vengeance for that colonial disaster is a live motive in the present Italian ferment. "Adowa" was chalked on the troop trains at Messina and Naples during the recent mobilization with fervid vows to wipe out that disgrace. Those fierce Shoans, Amharas and Gallas had mutilated their white prisoners, and from that day to this, hatred, mistrust and contempt have marked the relations between Abyssinia and Italy.

Last November Captain Roberto Cimmaruta, addressing native levies amid the mimosa-scrub and limestone of the Somali marshes, said:

"The British have come with the Abyssinians to Walwal. But you Somalis are as lions; and if lions meet prey on the path, they leap at the throat and kill it! You will do the same. * * * Now I go to speak with these people, and to see what they want. Hitherto my airplanes have come, but armored cars will come also, each one with three guns. When these are here, you will not need to make war upon the Abyssinians, for the machines that run on land and machines that fly in the air will alone suffice. Then you shall see what I can do. I will grind the Abyssinians like coffee."

Such is the testimony sworn on the Koran by a deserter from Cimmaruta's own troops and given to members of the Joint Anglo-Abyssinian Boundary Commission, sitting at Haradijit on Dec. 11, 1934.

Six days before this testimony was given, Captain Cimmaruta's force had opened fire without a moment's warn-

ing, and with tanks and aircraft in support, upon the Joint Commission's escort at the Walwal wells. At the moment of onset the Abyssinians were in their tents or grazing their horses on the plain. Shrill whistles blew, and the orders rang out: "Ready—Aim—Fire!" At the first volley Fitaurari Alemayehu fell dead, and with him many other officers. All told, Abyssinia's killed were 107 men, with 45 others wounded.

There were five British witnesses; and the report of their commissioner—Lieut. Col. E. H. M. Clifford of the Royal Engineers—is conclusive as to the origin of an affair that has had so many complications. Both Clifford and his Abyssinian colleague, Fitaurari Tessama Bentie, were astonished to find their passage barred by an Italian force "armed with modern rifles." The British Mission thereupon hoisted its flag, and a joint letter was sent to Captain Cimmaruta at Wardair, "protesting against aggressive opposition of the Italians in Abyssinian territory."

"The British Mission," Colonel Clifford goes on to say, "made every effort to arrive at an equitable solution, but was constantly thwarted by the unconciliatory and disoblighing attitude of the Italian officer. This may be judged from his remarks, several times repeated: 'Take it, or leave it.' And also by the threat that, in case of refusal, he would 'send for several hundred soldiers.'"

Now came two Italian airplanes flying low over the two missions, "who were busy at the moment with Captain Cimmaruta. During the last series of dives, one of the crew of airplane S. O. 4 was seen training a machine-gun on the commission." Colonel Clifford then "expressed to Captain Cimmaruta his great indignation at this provocative demonstra-



Abyssinia, where Mussolini claims a free hand

tion," and Fitaurari Tessama Bentie asked how such conduct agreed with the Italo-Abyssinian Treaty of Amity and Conciliation of Aug. 2, 1928.

All Cimmaruta's letters were truculent. Thus on Nov. 23, 1934, he wrote in Arabic—a language which the recipient could not read: "To the Commander of the Amharas"—Fitaurari Sheferra Balcha, Governor of the Ogaden. "Understand me well. Until I convene thee for a parley, I beg thee not to provoke any incidents with the troop now at Walwal. If thou hast anything to do with us, apply to me at Wardair. Understand that well. And I wait thy reply."

Three days later that same Abyssinian Governor received another let-

ter—this time in Italian. "You have asked," the captain wrote, "that we should refrain from any act of violence. I have done so. I am ready to receive you, and can have you escorted to Galadi. Yesterday I went to Walwal to tell you of this, and also sent a message through a *capo shefta* [chief brigand, or bandit!] of your own. But I have received no reply." Who would believe that such language could be used by a foreign trespasser, just then fully sixty miles within Abyssinian territory, to a high dignitary of that ancient empire?

The "act of violence" was not long delayed. Italian airplanes followed it up by dropping five more bombs on the Boundary Mission's luggage at

Ado, where Ato Ali-Nur had been left in charge after the retreat.

News of this tragedy was dispatched from Haradijit on Dec. 9 to the Palace Chamberlain and Foreign Minister in Addis Ababa—Belathengueta Heruy Wolde Selassie. To him promptly came Signor Mombelli, the Italian Chargé d'Affaires, with a very different version: "Armed Abyssinians have attacked us without warning, and in force. Our killed and wounded are not yet known." The Emperor's attention was urgently called to "so grave and gratuitous an aggression." Pending further instructions, Mombelli was "to register the most emphatic protest" against an outrage "for which the Royal Government intends to exact ample apology and complete reparation, which it will define as soon as possible."

Replying to this in an Amharic dispatch dated "Kedar 30th 1927" (Dec. 9, 1934), Foreign Minister Heruy invoked "Article V of the Treaty of Amity and Arbitration between our two governments." On Dec. 11 Signor Mombelli was instructed to say that "Captain Cimmaruta's conduct was quite correct," since "there can be no doubt that Walwal and Wardair belong to Italian Somaliland." And again: "Armed Abyssinians, without any provocation, launched an attack in force upon our post; consequently the responsibility for this sanguinary clash lies entirely with the Abyssinian Government."

Next came the terms of "a formal apology and reparations commensurate with the serious losses and damage we have sustained": (1) Gabre Merrian, Governor of the Harrar, will proceed to Walwal, there to make due amends, while his troops render honors to the Italian flag; (2) the Abyssinian Government will pay to the Royal Legation in Addis Ababa a sum

of 200,000 Maria Theresa dollars for our heavy losses in dead and wounded (the Maria Theresa dollar has a nominal value of about 50 cents); (3) all persons concerned in this attack must be arrested and deprived of their commands. They will be present at the flag ceremony, and thereafter must undergo suitable punishment.

The Foreign Minister thereupon proposed "an arbitral tribunal" to settle the matter in the interests of our two countries." The Emperor was most anxious about this. The Italians, however, sharply declined—"so definite and clear" were the facts of the affray "that there can be no doubt of its nature as a surprise attack. Therefore, Article V of the 1928 treaty could not apply in so flagrant a case. "The Italian Government must insist that the reparation and apologies due to it shall be made without delay, at the same time renewing its former demands."

Then for the first time Balathengueta Heruy sent an appeal by radio to the Secretary General of the League of Nations. In a few lines the salient facts were set out, with "the gravity of the situation" stressed and "detailed confirmation and documents to follow."

Six months elapsed. During that time Mussolini withdrew his civil Governors from Asmara, in Eritrea, and from Mogadishu, on the Indian Ocean, and replaced them with the ablest soldiers he could find—General Emilio de Bono and General Rodolfo Graziani. At the same time a large modern army was sent to Massowa, 2,500 miles away, and to the Somali post, which is almost as far again. Such steps could portend only one of two things: An armed invasion of the old highland empire, or demands upon Haile Selassie I which that cultured and all-too-progressive little monarch

could never accept without losing his throne.

If Crispi forty years ago was over-eager to seize his prize, Mussolini has outdone him by transporting a large army at heavy cost to Massowa and Mogadishu, with port facilities of the slimmest and waterless deserts beyond where for centuries nomad tribes have "followed the reins" with their cattle and camels. His first desire is to unite useless Eritrea with far-off Somaliland by a new railway—as the tentative pact with Great Britain in 1925 sought to do.

But Mussolini's adventure is not wholly the concern of Italy and Abyssinia. In 1923 young Ras Tafari, the present Emperor, squeezed Abyssinia into the League of Nations on the promise that he would abolish chattel slavery. When Lord Noel Buxton and Lord Polwarth went out to Addis Ababa in 1932 to see Haile Selassie on this question, little or nothing had been done, for the Emperor's anti-slavery edicts are no more than pious wishes. His feudal lords go their own way in a vague federation where the dominant race have no love for labor, and their Galla serfs on the land are a gay and carefree lot, knowing nothing of the outer world.

A grave and graceful figure is the little Emperor; a man of hieratic pose, speaking perfect French and even fair English. His one desire is to be left in peace, hoping by degrees to educate and uplift his very "mixed" peoples. He leans to white nationals who have no ulterior motives in regard to Abyssinia. Belgian and Swedish officers have drilled and modernized his army. Norwegian doctors and nurses staff new hospitals copied from those the Emperor saw in Paris and London during his European tour in 1924. A Swiss jurist advises his Slave Courts. To American engineers the Emperor

looks for roads and bridges in the chief towns. His prospecting geologists are either Germans or Anglo-Egyptians. And after years of doubt and hesitation, the building of the famous barrage works at Lake Tsana, in the Gojam Mountains, was entrusted to the J. G. White Engineering Corporation of New York.

That much-debated dam was designed to conserve the waters of the Blue Nile upon which the Sudan's economic life and Egypt's own must always depend. Nothing has yet been done, however, to that vital flood which has figured in Anglo-Abyssinian pacts since 1902, when old Menelik agreed not to interfere with it without Great Britain's consent.

Here, then, is a further tangle in this Abyssinian affair. Italy offered to press Great Britain's claim to build this dam if Downing Street would in turn help Italy with the Eritrea-Somali railway concession. But this line would ruin the Jibuti-Addis metre-gauge of France, which has long carried most of Abyssinia's trade.

British possessions have for many years been harried by Abyssinian raids for cattle, ivory and slaves, and these the Emperor has been powerless to prevent. It was these forays which Mussolini's assistant, Signor Lessona, had in mind during the recent Abyssinian debate in the Italian Senate. To that Under-Secretary of State the long-marooned empire loomed as "a permanent danger to adjacent European colonies." France had suffered serious outrage; "Great Britain can present a long list of bloody invasions and slave-drives in Kenya and the Sudan." Clearly then, "it was Fascist Italy, as the power primarily interested in Abyssinia, which was today defending the lofty cause of civilization over there in the general interest of Europe."

Nor will Mussolini himself brook any outside dictation, howsoever suavely put, in "the timely forethought" he is showing in landing troops "though the number of workmen sent to East Africa perhaps exceeds the soldiers." Mussolini prefers "the reproach of having erred on the side of excess, rather than to fall short when the security of our colonies, and the life—be it only one, of our home or native troops—might be endangered."

This being so, the strictures of the Conte di Ciano's press show a notable lack of humor. In the *Giornale d'Italia*, Virginio Gayda assails all those who inspire and aid the "mad war preparations of the Abyssinians." In a few weeks, we are told, 10,000 mausers, 200 machine-guns and 2,000,000 cartridges were delivered to them. And quite openly the Emperor went down to Jibuti—nearly 500 miles from Addis—to receive yet more munitions from Liège and Prague. Germany, too, was said to be sending chemicals for gas, as well as Junker airplanes. And in Berne, Italy's Minister complained to the Federal Government about the sale of passenger aircraft by a Swiss air concern.

Yet Abyssinia is still confused and crude, an unknown force even in her own defense, as her many appeals to Geneva have shown. The note of mid-May begged the League Council to consider Italy's "warlike preparations" in sending shiploads of troops and material. "Moreover, the official speeches which accompany these acts leave no room for doubt as to the hostile intentions of the Royal Italian Government." Unfortunately for the cause of peace, Mussolini has slight respect for the League and has often jested at its merely "moral" sway.

In Addis Ababa, Count Vinci invit-

ed the Emperor "to choose arbitrators of Abyssinian nationality." But Haile Selassie was not so simple as all that. He preferred "persons of complete independence, high repute and undisputed authority and experience on arbitral tribunals." His final choice were the two jurists, one French and the other American, who have all along acted as advisers to the Abyssinian delegation in Geneva.

The government in Addis Ababa has throughout affirmed its pacific intent. And the May note to the League carried "the request they have frequently made since the Walwal incident—that arbitration shall be at once resorted to. And they pledge themselves, without reservation or reticence, to submit to impartial decision, whatsoever that decision may be."

Yet the facts are undeniable: Walwal and Wardair, as the prime cause of conflict, are well within the Abyssinian zone. As such, they were acknowledged by Italy in 1897, and formally embodied in Article IV of the treaty of May 16, 1908. Here it should be noted that in the forthcoming commission Italy desires to rule out any reference to these boundary treaties.

After his crushing defeat of the invaders at Adowa, Menelik fixed the Somali limits with Italy's agent, Major Nerazzini. On Sept. 3, 1897, the President of the Council in Rome, together with the Ministers of War and Foreign Affairs, sent the Emperor a joint telegram, informing him that "the new frontier line has been approved by the Italian Government." It was thenceforth to follow the windings of the Indian Ocean at a parallel with these of 180 miles. Moreover, the 1908 treaty bound "the two governments to delimit the said line on the ground as soon as possible."

That work was never carried out, chiefly because Menelik was for years occupied in welding his rule at home over warrior lords whose age-old power was at an end. So the "gradual encroachment" of the present Emperor's continuous plaint became a matter of course, with Italian roads, fortified posts and radio stations pushed by degrees into undoubted Abyssinian territory. Walwal and Wardair—this last point occupied and held by Italian native troops—lie 240 miles from the coast in the Somali Ogaden. Yet Article IV of the 1908 Italo-Abyssinian pact distinctly says that "the whole territory of Ogaden shall remain a dependency of Abyssinia."

So stands the conflict, with right on one side, might on the other—and important British and French interests in between. The tripartite pact of Dec. 13, 1906, lays down in its preamble that "the common interests of France, Great Britain and Italy being to maintain intact the territorial integrity of Ethiopia * * * in any event, none of the three governments shall intervene in any way whatever, except after an understanding with the other two."

No wonder, then, that these "other two" are perturbed. Mussolini has seen fit to send an army overseas without any such "understanding," and, without the shadow of doubt, Ethiopia's "integrity" is about to be assailed. True, Mussolini is all for peace, but it must be on his own terms.

Europe, he has assured us, need not fear that the African venture to which he is now committed will in any way weaken or distract his councils nearer home. He points to "our military

machine," now 900,000 strong, and tended "with our most vigilant care." But how will Italy's finances bear such a strain if a colonial war is to be added to it in so forbidding a terrain. An area of 400,000 square miles, roadless, rugged and wild, with every man's hand—12,000,000 of a fighting race—against white invaders of peculiar odium ever since the terrible battle of Adowa nearly forty years ago?

Mussolini's headiness is manifest from his own public speeches. There is in him much of the Mazzini-Garibaldi dash, but no Cavour is in sight to pick a prudent path among the hazards of these troublous times. A strong and fearless leader, he embarks on high African risk in the spirit of his Florentine mentor, Machiavelli. After all, Mussolini reasons, a protectorate would be a godsend to these primitive and backward Abyssinians. Italy could do more to lift them out of what Signor Lessona sees as their present "disorder and anarchy" than their own well-meaning monarch can ever hope to accomplish within the limitations of his life and power.

Today's new Italy is the pride and glory of a single man. Yet Mussolini plainly hopes to crown it by seizing a rich African domain, one that may free his people from what the Fascist Grand Council styles "our war-servitude," that is, dependence upon foreign supplies. Of such a possession this impetuous dictator dreams. Neither Tripolitana nor the meager colonies further East can ever give it to him, but uplifted Abyssinia would be a priceless memorial to leave to his beloved Italy when he himself has passed.

South Africa Becomes a Nation

I—The Struggle for Independence

By FRED CLARKE*

RECENT developments in South Africa have again made people ask whether the British Empire is breaking up. Without attempting to answer that question, one can have no doubt as to the importance of the Status of the Union Act, which received royal assent on June 22, 1934.

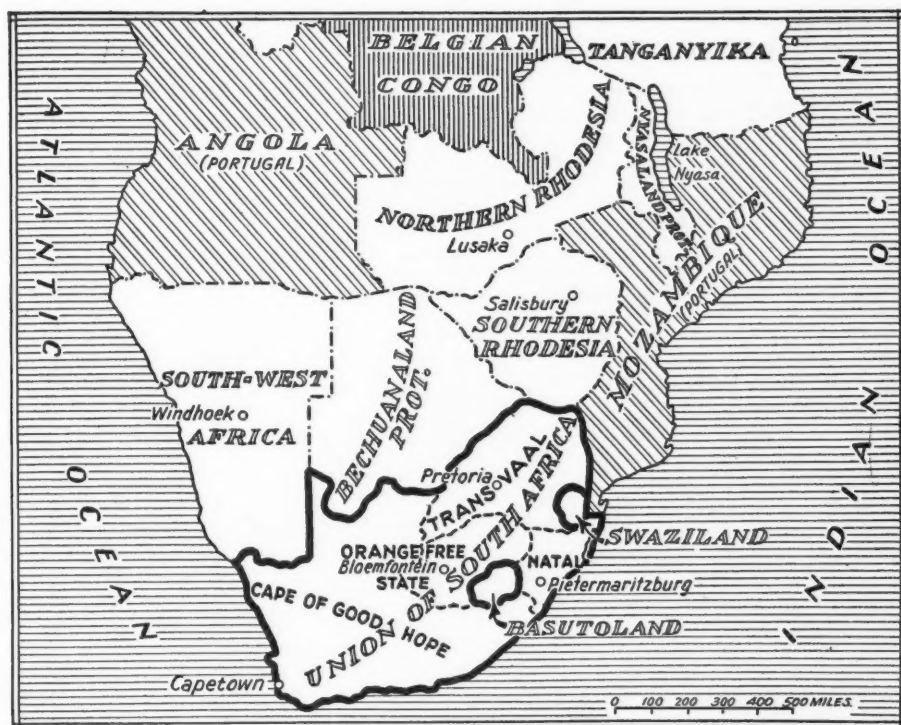
This new law has a bearing on the whole future of British imperial unity for various reasons. The Status Act is really a restatement and far-reaching amendment of the Constitution granted to South Africa by Great Britain in 1909; it refers explicitly to the Union as a "sovereign independent State"; it is accompanied by a Seals Act under which His Britannic Majesty remits the Great Seal and the Little Seal for the free and exclusive use of his South African Ministers.

The Status Act is the work of a coalition government headed by two old antagonists, General Hertzog and General Smuts. This coalition came into existence after a period of acute party bitterness following upon Great Britain's departure from the gold standard in 1931. The government then in power was the Nationalist party administration headed by Gen-

eral Hertzog. It decided that South Africa should remain on gold and not cut loose to link with sterling. Apparently it was believed that the departure from gold by Great Britain would not in any case last long; that South Africa, as a great gold-producing country, had a strong interest in maintaining the credit of its staple commodity, and that any temporary injury that might be suffered by exporters of farm products could be dealt with by appropriate measures. Nevertheless, the trade of the Union was thrown into confusion and some powerful interests suffered severely.

The South African party—the opposition led by General Smuts—seized the chance to accuse the Nationalist government of sacrificing the economic interests of the people to a perverse and childish desire to take a line different from that of Great Britain. In South Africa for the last thirty years any political issue, whatever its origin, has inevitably assumed the one standard form of a conflict about the country's relationship to Great Britain. This has been, in fact, the fundamental issue determining the cleavage of parties. It seemed, therefore, that once more the old struggle would be waged with even more than the usual fire and bitterness. The Nationalists retorted that Smuts and his party were always eager to drag South Africa at the heels of England. The gold standard, though not forgotten,

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The territories comprising British South Africa and including the now "sovereign independent State" of the Union of South Africa are indicated by the unshaded portions of this map.

became the pretext for rather than the cause of a traditional fight between Boer and Briton.

Meanwhile, real injuries arose from the policy of the government and weakened its position in the country. It soon became clear that, if an election could be forced, General Smuts would have an excellent chance of winning. But he could win only by stirring up the old barren and disastrous racial passions, and more and more of the younger South Africans were out of humor with the game. Also, he would come in with a most inconvenient group of Natal die-hards, dyed-in-the-wool Britishers who would be the source of endless trouble. Hertzog, too, would have his group of doctrinaire republicans and vociferous representatives of the insatiable de-

mands of the ever-hungry "poor whites." Moreover, though this was not avowed, departure from the gold standard would present the mining interests quite gratuitously with a very handsome premium on gold, unless there were a government strong enough to take a large part of it in special taxation. No mere party government could do this.

Behind all the immediate reasons for some kind of party truce, however, there was a powerful movement among the younger South Africans. Not only had a great improvement in temper taken place; there were undoubted signs of much more realism, much less romanticism; of a more calculating regard for the future and less sentimentalism about the past; of a keener sense of the pressing needs of social

and economic construction which tended to be neglected amid racial and constitutional struggles, and especially of a strong desire to be done with the old racial animosities once for all. The younger men demanded that these matters be permanently settled so that they could "get down to the real business of modern government."

So coalition came about. While the battle was on in Parliament the leaders conferred in private and agreed upon a basis of cooperation. The only possible basis was a settlement of those questions of constitution and status which have divided parties in South Africa for the last thirty years or more. The Status Act is the result. While the bill was passing through Parliament active groups on both sides, encouraged by the success of the instrument of peace, pressed for more than coalition. They wanted nothing less than a complete fusion of the parties. This, too, has now come about, after a period of "trial marriage" of about two years.

The political development of South Africa since the Boer War, which has now culminated in the Status Act, is to be followed through two channels. One is the course of political and party history in South Africa itself; the other that of constitutional development in the British Commonwealth at large. These two streams are very intimately related. Throughout the period South African politics has always turned on constitutional questions. Relation to England, degree of independence, the status of the Boer people with a distinctive language and culture in their own country: such are some of the issues.

South African politics thus turns on fundamental questions about the relations and structure of the State itself and involves deep-seated differences of opinion concerning public af-

fairs. Such conditions give political discussion a depth, a passion, a certain philosophical quality, even a disinterestedness, that are not so conspicuous in other democracies. The result is that men of the highest type go into politics, and the party leaders, after a lifetime of activity, are still poor men.

Moreover, England and international politics are never out of the picture. The outbreak of the World War forced South Africa all too early to declare its relation to Great Britain on the crucial issue of peace and war, and the country suffered a shock from which it reeled for years. That issue is by no means dead, but a new war would hardly bring the same calamitous situation, since the Constitution is now much more competent to deal with it and people know where they stand.

Internally South Africa witnesses a constant struggle of the Boer to maintain himself as a type, with his language and culture, against the enormous pressure of things English. No one who has not lived among its manifestations could realize the full intensity of the Boer feeling or the tenacity with which the struggle for cultural survival is pursued. The dualism it sets up pervades the whole of South African life. Equality of languages is entrenched in the Constitution; the provision and conduct of bilingual schools are minutely regulated by law; the civil service is bilingual, and the people at large are rapidly becoming bilingual also.

Nor is this all. A powerful cultural movement among Afrikaners themselves has been in progress for years. The simplified Dutch, which is the vernacular of the country, has been standardized as a virtually new language known as Afrikaans. A great dictionary is in course of completion;

newspapers and magazines in the language are published and widely read; poetry in considerable bulk along with histories, novels and even technical works has appeared, and now the great achievement has been capped by a complete translation of the Bible into Afrikaans from the Hebrew and Greek originals.

In addition to preserving and maintaining his distinctive contribution to South African life the Afrikaner is resolved to rid himself of the last disability of conquest by achieving the complete self-determination of his country—within the British Empire if he can, in separation from it if he must. Obviously the two factors are closely associated, but do not necessarily operate in equal strength. The thoroughgoing Afrikaner republican is usually no more enthusiastic about cultural development than is the most ardent supporter of the British connection.

The movement of South African politics toward its culmination in the Status Act mingles, from 1924 onward, very closely with that of constitutional development in the empire at large. Though the full story goes much further back than the inauguration of the Union in 1910, a wise and regenerate British policy had already restored responsible government to the two conquered Boer republics, the Transvaal and the Orange Free State. In the Transvaal General Botha and General Smuts set themselves at once to conciliate British feeling and to press for union of the four Provinces. In due course, and with the Transvaal playing a large part, terms of union were agreed upon.

The first Union Ministry, under General Botha, continued the policy of conciliation. But the pace was too fast for a considerable section of the Boers, who feared that their distinc-

tive identity might be lost before there had been time to establish it. This section found a voice in General Hertzog, who in 1912 left the Cabinet and set about forming the Nationalist party to advocate openly a "two-stream" policy. The World War, two years later, both embittered relations, for bloodshed and revolt now entered, and also stimulated Nationalist feeling. The situation could be pointed to as a convincing demonstration of the dependence of South Africa, forced to shed her blood in a cause that was not her own.

The Versailles treaty brought no peace in South Africa. Botha died in 1919, and Smuts was more than ever the villain of the piece. He was accused of debauching the Union Jack for political ends and of playing up to the British to secure his own supremacy. More and more the Afrikaners, especially of the younger generation, turned to Hertzog. The great reshuffling, and for some peoples the great emancipation, of the Versailles settlement whetted Afrikaner appetite and gave fresh point and force to the demand for virtual independence.

Economic troubles helped the Nationalists. In 1924 the turn came. A Nationalist government succeeded to power and nothing terrible happened. But 1926 was the year of an Imperial Conference and Hertzog, now Prime Minister, had to implement his pledges. He went to the conference resolved to get a declaration of Dominion status in terms "independent" enough to satisfy his followers and "imperial" enough to win over the bulk of South African British opinion.

The result was the famous Balfour Declaration on Dominion status, surely a masterpiece of phraseology from even that consummate dialectician,

the late Earl Balfour. The declaration, which is quoted in the preamble of the Status Act, describes the British Dominions as "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations." Hertzog took the document back to South Africa with something like a whoop to his own followers and as a very natural invitation to the British to come in on that basis. South Africa politically, however, was not yet ripe, and the Nationalists won another election in 1929.

Meanwhile a committee of experts had been at work in London to determine what changes were necessary to give legal constitutional effect to the spirit of the Balfour Declaration. The committee reported to the Imperial Conference of 1930, their recommendations were adopted and the great Statute of Westminster was framed and passed by the British Parliament in 1931. The two currents, that of South African politics and of general constitutional development in the empire, now ran closely intermingled. No barrier of a purely legal kind stood any longer in the way of peace between the two South African parties after the struggles of well-nigh a century.

Great Britain's going off gold in September, 1931, was the match that fired the train. There is irony for the Nationalists in the fact that it was an event in purely British history that enabled them to achieve their hopes and to satisfy most of their own demands in an agreement with the South African British.

The Status Act in substance is a perfectly logical application to the

particular case of the Constitution of South Africa of the two relevant British documents, the Balfour Declaration and the Statute of Westminster. The constitutional revision it effects, drastic and thoroughgoing as it is, is nevertheless achieved at every point by purely legal process.

Cannily enough the Afrikaner sees the value of repeating the Balfour Declaration in the preamble of his own constitutional act and of adding on the strength of it a description of his own country as "a sovereign independent State," for what else can be meant by "equal in status, in no way subordinate one to another in any respect of their domestic or external affairs"?

But it is the Statute of Westminster that governs the main body of the Status Act. In this great charter to the Dominions two main grants are made. One, positive, is the power to amend, repeal or modify any British act which is part of the law of a given Dominion—for instance, the South Africa Act as part of the law of South Africa. The other, negative, is freedom from the application of any British law to a Dominion, unless the Dominion has requested and consented to such application. This incidentally implies a continuing residual power of legislation for a Dominion by the British Parliament if the Dominion does thus "request and consent."

The main provisions of the South African Status Act itself are quite simple. It declares that no British legislation henceforth shall be taken as having force in South Africa except by consent of the South African Parliament in legislative form—that is, the legislation must be re-enacted in South Africa. It defines the Executive government in South Africa as the King acting upon the advice of his

South African Ministers, and it defines "King" as the King determined by the laws of succession of the United Kingdom. Powers of veto and reservation of bills are abolished, the Governor General, as the King's representative, being left with the power only to return a bill, with comment, for further consideration. The royal—or viceregal—prerogative disappears with the exception of the important power of nominating the Prime Minister and of dissolving Parliament. The relevant parts of the Statute of Westminster are re-enacted as a schedule to the Status Act so as to complete the logic of the whole.

The Seals Act was passed at the same time as the Status Act for the purpose of defining procedure in the exercise of the King's powers through his South African Ministers, and, as a final corollary, the whole South Africa Act, with the amendments now made, is re-enacted as South African legislation, under the powers of the Statute of Westminster.

The long debates on the Status Act were conducted in good temper and on a high level. A little knot of die-hard Britishers who fought the bill inch by inch received every consideration. On the other hand, some of the older Afrikaners, veterans of the Boer War, spoke movingly about the sacrifice of complete republican ideals which they were prepared to make for the sake of peace. The result was finally a statesmanlike compromise. The Afrikaner accepts the British Crown and the resulting membership in the Commonwealth, while the Britisher accepts the termination of all prerogative and of all possibility of interference from Great Britain in South African affairs.

Much was made in the debates of the fact that, with its new status, South Africa can now decide for itself

whether to be neutral or not in time of war. It might even secede altogether, though not, apparently, by legal process. Some commentators in England as well as in South Africa feel disturbed by these possibilities. But "equal status" necessarily implies them, and legal barriers would be flimsy defenses against the strong political pressures when the time of crisis comes. Neutrality and secession are political issues, to be determined in the light of all the facts when the question arises. They are not to be determined in advance, as some of the die-hard lawyers seemed to demand, by any constitutional legislation, especially legislation under such documents as the Balfour Declaration and the Statute of Westminster.

Much the same reasoning applies to that virtual abolition of prerogative which so agitated the little knot of fighting Britishers. They argued, with some justice, that the Status Act meant a divided Crown and the conversion of the Commonwealth into a purely personal union under a single King. That King, they contended, had a residual prerogative to act on his own motion in time of crisis to keep the whole together. General Smuts had no difficulty in showing that for centuries no such prerogative had existed and that the real question was again one of politics, not of law.

Well received as the Status Act was and followed, as it has been, by fusion of the parties, it is still too soon to say whether its effect is a final peace on South Africa's constitutional question. There is a group of dissentients at each extreme. The British group, standing for the continuance of some subordination to Great Britain, has much to say about "loyalty," but is not likely to go far electorally. The Afrikaner group, on the other hand, is a different matter. It is ably led by

Dr. Malan, a former lieutenant of General Hertzog; it has plumped for full republicanism and a severance of all legal ties with Great Britain, and has attracted many of the young men who, in South Africa, are always ready for generous-sounding and rather heady idealisms. General Hertzog has had a stiff time dealing with this movement even in his own Orange Free State, and it is particularly strong in the Cape. Also it commands several of the newspapers. It will certainly mean something electorally. But Dr. Malan is not on the same ground that General Hertzog occupied in 1912, nor is he made of the same stuff. There is too much against his movement, of economic as well as political weight, for it to achieve final success.

Nevertheless, it is regrettable that

constitutional opposition to the new fusion party has taken the old racial form. South Africa sorely needs a new party alignment along the lines of social and economic issues that are now the real concern of the country. Yet for the Afrikaner there is much in a name and in the sense of status, and Dr. Malan may yet go far.

Over and beyond all such issues, South Africa's vital problem is that of the permanent social and economic relations between the whites and the blacks, the latter of whom form three-fourths of the population. From the larger point of view of this issue, which has yet to be squarely faced, bitter and now largely pedantic disputes about status among the whites are at best a political luxury and at worst may be a way to self-destruction.

II—The Urge to Expand

By RALPH THOMPSON

SOMETHING of the urge which built the British Empire has been acquired by a child of the Empire. Growing in self-confidence and fully aware of the freedom to act implied by the Statute of Westminster, the Union of South Africa has cast longing eyes upon the protectorates of Bechuanaland, Swaziland and Basutoland, now controlled from the Dominions Office in London.

These areas, in which the ratio of black to white population even today is about 99 to 1, were specifically excluded from the Union of South Africa when it was formed in 1909, although it is true that the Constitution provided that they should be eventually incorporated. A primary reason

for the exclusion was that London deplored the treatment the natives had received at the hands of the former Boer republics of the Transvaal and the Orange Free State, and feared that the new Union government, representing both the Boers and the citizens of the Cape Province and Natal, would be wrecked in a conflict of principles—the Boer idea of a color bar clashing with the British principle of equal rights for all civilized enough to exercise them.

Indeed, since 1909 no satisfactory policy regarding natives already within the Union boundaries has been evolved, and blacks under the jurisdiction of Pretoria have suffered from discriminations which are generally

termed unfortunate and in some cases labeled outrageous. Thus it was that when Prime Minister Hertzog early in 1934 gave notice to London that his government intended to take definite action on the question of the protectorates, a wave of indignation swept not only the natives of the territories involved but also representative groups of well-disposed whites. The Imperial Parliament forthwith appointed a committee to study the matter, and early in 1935 Tshekedi Khama, Acting Chief of the Bechuanaland Protectorate, issued an appeal for "protection" to the Parliament and people of Great Britain.

Not that British administration of the 1,000,000 Bantu of Swaziland, Bechuanaland and Basutoland has been by any means ideal. The so-called system of indirect government through chiefs, Lionel Curtis, a former South Africa administrator, has pointed out, has led to serious abuses. Sir Abe Bailey, South African mining magnate, has declared that the three territories are among the worst administered under the British Crown. Economic conditions have been so neglected that since 1933 the British Exchequer has been forced to subsidize Bechuanaland and Swaziland alone to the extent of £500,000. But it is feared by many that government from Pretoria, rather than improving affairs, would make them worse.

The Union case is that there is no selfish purpose behind the proposed annexation. The Union has already ample land—and ample economic difficulties without assuming those of the native areas. But Basutoland is overcrowded, and native migration to the urban areas of Bloemfontein, Johannesburg, Kimberley and elsewhere has created congested slum districts. Detribalized and demoralized, the up-

rooted Bantu have become a serious liability. The surplus blacks, it is argued, might well be moved into Bechuanaland, where there are huge areas without a single inhabitant. On these pastoral plains the Union could establish, in a spirit of trusteeship, a home for the black man, irrigate the land and allow him to develop along the lines of his own tribal and social heritage.

But Chief Tshekedi does not see it that way. What he and his sympathizers know is that an area of about 1,325,000 acres in Bechuanaland is owned by the Tati Company, Limited, and that such a district, once the bars were down, might become a centre of industrial exploitation, with all the woe to black labor that that implies. They fear that the grazing land spoken of as a potential home for the surplus Union blacks might be seized for surplus Union whites. Most of all, perhaps, they object to the possibility that the present native policy of the Union might be set up over them, so that the protectorate native would find, as the *Manchester Guardian* has put it, that "his freedom of movement is limited by restrictive 'pass' laws; his status as a worker is degraded by the Color Bar Act to one of permanent economic inferiority. He sees his fellows throughout the Union compelled by the Native Service Contract Act to relinquish settlement and to wander in search of work. He sees them barred by the Native Land Act from acquiring land even if, despite all obstacles, they acquire means to do so."

The present Fusion government of South Africa, however, led by men like Prime Minister Hertzog and General Smuts, is presumed to be genuinely anxious for the welfare of the natives and of the Union. Fusion itself is a symbol of the determination

of both Boer and British to forget their differences and work for the common good. The new Afrikaner generation is said to question the time-honored principle that in Church and State there is no equality between white and black. Finally, many responsible South Africans are eager to be rid of the anomaly of having within Union boundaries territory which is not under Union jurisdiction. Most of them realize that before this can be accomplished the Dominion's native question must be solved.

Definite measures looking toward this end were submitted to the Dominion Parliament in 1929, and a Parliamentary Joint Select Committee to consider them was first appointed in 1930. Although Select Committees have been reconstituted each session since that time, only recently have specific recommendations been made. On April 30, 1935, the drafts of the Native Representation Bill and the Native Trust and Land Bill were made public.

Whether or not these measures become law, they reflect the policy of the present South African Government and indicate what treatment the protectorate natives may expect should they be brought under Union jurisdiction. By the Native Representation Bill the franchise of Bantu residing in the Cape Province is abolished—that is, no more natives will be put on the register. This may seem a step backward, but it should be remembered that the Cape natives' vote is severely restricted and represents less than 3 per cent of the total electorate. In other Provinces natives never vote. In place of this dubious privilege in a single Province, natives throughout the Union are to elect four Senators, who will be white, and

to ballot for a majority of the members of a Native Representative Council, who will be blacks. Through this Council it is planned to bring the views of the native population before Parliament.

By the second measure proposed, the Native Trust and Land Bill, some 14,000,000 acres out of the 260,000,000 now in white ownership will be gradually handed over to the natives.

Both these bills are definitely segregationist—that is, they indicate that the Union government believes that the Bantu problem is to be solved not by granting equal political and economic rights to all who have acquired sufficient civilization but by recognizing a line of demarcation and allowing each racial community to carry on by itself. Neither bill would seem to be very reassuring to Chief Tshekedi and those for whom he speaks. In his appeal to Britain he especially remarked that "the policy of the Union seems to be to have one law for the white community and another law for the native. Such a policy cannot commend itself to any native people."

The trouble, of course, was started when whites first began to drive back natives from the Capetown area. Now, hundreds of years later, the descendants of the original possessors of the land petition to keep their admittedly unsatisfactory vestige of independence under the British Crown rather than submit to the doubtful benevolence of the present South African Government and the unpredictable policies of its successors. Great Britain may have in her vast empire more vital problems than this, but none more overcast with the shadow of past wrongs and none requiring more prayerful consideration.

The Ways of the Chinese Censor

By EDGAR SNOW*

SUPPRESSION of civil liberties in China, growing ever harsher since 1928 until it has reached an all-time severity, is Generalissimo Chiang Kai-shek's answer not only to Communist propaganda but to all forms of liberal and progressive thought.

Aided by the Fascist New Life movement and the Confucian Revival, it is no less than an attempt to make the Chinese people think along the lines laid down for them by the Nanking rulers. Agents of thought-control mute every string of public expression, for, in addition to presiding over newspaper censorship bureaus, they restrict freedom in all branches of the publishing business; in the theatre, old and new; in movie productions; in art and literature and education. Even the story-tellers have to choose their words carefully, since some of their tales, though hundreds of years old, are still pregnant with symbolic meaning in the midst of the oppression and disunity of present-day China.

First of all, according to the current procedure, "copies of news items of all daily newspapers, evening newspapers, small ['mosquito'] newspapers, services of news agencies, their additional issues, are to be submitted to the censorship bureau *en bloc* (including advertisements) or by instalments." At the head of the system of press control is the Kuomintang's central publicity bureau. It directs censors

in various cities under Nanking's authority, and it also staffs the bureaus which play havoc with foreign correspondents' dispatches. Its regulations authorize the censor to kill any news "the publication of which [he deems] disadvantageous to us [the Kuomintang]," or "unfavorable diplomatically to our country, regardless of whether it is confirmed or unconfirmed."

Besides agents from the central party, which is in turn subservient to the Blue Jackets, a secret Fascist organization created to combat communism and to promote Chiang Kai-shek's policies, the bureaus usually have staffs representing regional, provincial and local authorities. The Japanese also have a voice in censorship here as well as in Tientsin. In practice, any censor can suppress or mutilate any news.

During 1934 there were in North China 110 cases of suspension or total suppression of publications of various kinds, while the toll in southern cities was also heavy. The most frequent offense was publication of news, editorials or other material considered to be tinged with leftism—a term including advocacy of everything from constitutional democracy to communism. Other crimes included publication of "unsatisfactory" articles concerning government officials, Sino-Japanese negotiations, the Kuomintang, the opium monopoly, the activities of the Blue Jackets, the success of the Russian Five-Year Plan, the New Life movement and Con-

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fucianism, and of matter indecent, sarcastic or ironical in style.

Sarcasm and irony have, in fact, become the chief weapons of the emasculated press of China. No language better lends itself to nuance, for Chinese habits of thought for centuries have been grooved in channels of subtle dissimulation. Ideographs may often hold within their vertical lines inferences full of venom which every knowing reader will understand, but which the often half-literate censor allows to pass.

The wrath of the censor is roused by anything except the mildest comment on current events and official personalities. Still, here and there one finds

an editor attempting by allusion to convey to his readers some idea of his fettered condition. Consider the innuendo in an editorial recently published in the *Ta Wan Pao* of Shanghai. The comment could be risked only indirectly, in this instance in connection with the suicide of a local movie star. Officials had virtuously blamed the press for the woman's death, claiming that it was newspaper publicity given to her divorce suit, in which her husband charged her with infidelity, that had resulted in the tragedy. The editor denied that the press possessed such omnipotence, and concluded:

"Opinions have been expressed as to whether the press is able to kill people; if so, then the 'power of the press' still exists. However, if we regard the press realistically, does it possess any such power? If something arouses its ire, and comment is made,

it will bring hatred from certain quarters [the censors]. If public matters are casually criticized, the result is imprisonment for the writers in lighter cases and death in more serious ones. These are common and everyday occurrences. Intelligent writers who want to protect themselves are afraid to express their opinions. The press has long lost its power."

The worst thing to be said about the Chinese censorship is that it is completely chaotic. Censors are no more restricted by the regulations than is the military opium monopoly by government opium prohibition laws. The cowed and frightened press dares demand nothing as a "right," for fear of reprisals against its spokesmen; it can only plead with bent head. A petition submitted to the Kuomintang by over twenty leading newspapers and news agencies last December did not



Nanking's authority is reported virtually complete in the heavily shaded area, strong where the shading is light and weak in the unshaded regions.

ask for abolition of censorship but merely for the following: (1) That censors be required to adhere to press regulations issued by the party; (2) that no newspaper or newspaper man be punished except according to law; (3) that suppressed journals that had not attacked the government be allowed to resume publication, and (4) that imprisoned newspaper men be brought to legal trial.

Foreign correspondents, who suffer much less than native journalists, also have their troubles. Chief among them is the censors' practice of mutilating cable dispatches without notifying the sender. This was the theme of complaints Peiping correspondents made recently in an interview with Mrs. Chiang Kai-shek—after her husband had shaken hands and disappeared. Mrs. Chiang was surprised when a correspondent harped on censorship. "Is there really a censorship?" she asked. And the gentlemen are not permitted to know when their messages are censored? And newspapers at home are wrathful over wasted tolls on garbled, unintelligible messages? Mrs. Chiang said the matter would be remedied at once, and she kept her word. The Peiping correspondent now regularly receives notification, from three to six weeks after filing a dispatch, that it has been censored.

Suppression of the press has its natural corollary in the burning of books. At literary bonfires in important cities during 1934 thousands of volumes were destroyed. These included, of course, translations of all Marxist, Communist and Socialist books that had survived earlier purgings, but also many books of history and economics distasteful to Blue Jacket leaders, who directed the campaign.

Altogether 149 books, including many of the best works of contemporary Chinese writers, were banned

last year by the Kuomintang. Among Western writers whose works are forbidden in translation are John Dos Passos, Theodore Dreiser, Strindberg, Bertrand Russell, Maxim Gorki, Upton Sinclair and even Maeterlinck and Romain Rolland. Worse than outright banning perhaps is the practice of deleting many pages of a book, indiscriminately and often purposefully changing the author's meaning.

Even certain books of nineteenth-century fiction are held impure; the black list resembles Hitler's, on which it is said to be based. Throughout the year additions were made to it, and early in 1935 the censor began to bar some books in English also. Authors specifically mentioned so far are Rodney Gilbert, André Malraux, Agnes Smedley and Victor Yakhontoff. In February the ban was reported to have been extended to all foreign-language books on communism and socialism.

On the other hand, the proscription exempts all books by Japanese (among which are the most insulting diatribes ever penned against the Chinese people) and books in praise of fascism. Notable also for their respectability are thousands of copies of biographies of Hitler and Mussolini, translated by official order and distributed among Chinese officers.

Films and the Chinese opera have also come under close scrutiny. No longer can the Chinese actor make satirical references to political conditions through the medium of the historical drama. Likewise, modern plays must be approved by the censors, who usually do not know what they are about. In drama, as in art and literature, a critical approach to the social aspects of worker and peasant life is not permitted—for the same reasons that vital studies relating to economic abuses cannot be made at all.

What the Kuomintang regards as dangerous thought is illustrated by the treatment of a film recently produced in Shanghai. The story dealt with the problem of unemployed college graduates, and one episode showed a youth turning thief under pressure of hunger, a denouement substantiated by contemporary fact. It was banned as a "bad social influence." For much the same reason the censorship suppressed *Ah Q*, a film based on Lu Hsun's non-political story of village life, written many years ago and now a classic. To discourage such productions several film companies in Shanghai have been threatened by Blue Jackets, and in at least one instance, that of the Yi Hwa Motion Picture Studio, the threat was carried out by the complete destruction of the plant. Bookshops, too, are often wrecked if found to be selling anything considered impure. Hundreds of booksellers have been driven out of business, and there is now a serious depression in the whole publishing business, formerly one of the most prosperous in China.

The fate of their productions has been shared by many authors, editors, journalists, artists and dramatists. Literally hundreds of young intellectuals have paid for their convictions, with the result that some of the most significant talent of the nation has been lost. Those who are puzzled by the apparent intellectual stagnation of China, by what Pearl Buck calls the absence of creative spirit, would be enlightened as to the cause if they could study the secret files of arrests, abductions, acts of torture and executions during the past seven years.

But it is not necessary to go to sealed archives for these facts, nor to recall the notorious group murder in 1931 of five gifted Left writers in

Shanghai, nor to lament the killing of Dr. Yang Chien, secretary of Mrs. Sun Yat-sen's now suppressed League for Civil Liberties. It is sufficient to look merely beyond the censored news reports of today. Victims are picked off singly and in groups in various ways — sometimes kidnapped, sometimes assassinated, rarely arrested by warrant.

There was, for instance, the recent case of a young artist whom an army officer jailed in Shantung for five years because of an oil painting in which he showed a Kuomintang flag in the mud. This was matched by the arrest of a number of young woodcut artists in Shanghai not long ago for their "art for life's sake." There was the case, last January, of the starvation in a Tientsin prison of Professor P'an Hsien, an author who edited a magazine banned by the police. Young P'an was arrested, severely tortured, kept for weeks in a filthy jail, then given nothing to eat for nine days, and finally let die. Such incidents could no doubt be duplicated by dozens of others, but of these I happen to have personal knowledge.

In Shanghai during the month of February alone thirty-four writers and intellectuals were arrested and jailed by special police and Blue Jackets. Among them were Tien Han, an outstanding Chinese playwright; Hwa Han, a noted novelist; and Lin Pei-hsu and Hsu Ti-sing, prominent critics. In these cases not only the men but their wives and children were imprisoned. The police at the same time raided the home of Chien Shing-tsen, but this writer escaped. In his place they arrested his four sons, the eldest 12 years of age; his father, a man of 66, and his wife. They are at this writing still held as hostages, to be released when Chien gives himself up, with the usual confession—generally obtained

by torture—that he is a “Communist.”

More widely known is the recent case of Sze Liang-tsai, publisher of several Shanghai journals, among them the *Sin Wen Pao* and *Shun Pao*, China's largest dailies. Allegedly leader of a group of constitutional democrats opposed to the Fascist dictatorship, he was subjected to great pressure. Feeling secure in the Shanghai foreign settlement, Sze declined to “cooperate.” One day he carelessly motored outside the city, was followed by hired assassins and shot to death. In the reorganization of his interests after his death, Sze's son was forced to admit Fascists to the board. Earlier than this, one of Sze's correspondents, a young man in Tientsin who had reported facts instead of propaganda, was disposed of by gangsters in much the same manner as Sze was.

Thought-control has now penetrated deeply into the educational system. Liberally paid Fascist spies, located in high schools and colleges, report regularly on both students and professors. All textbooks have, of course, long ago been expurgated by the Kuomintang, and numberless professors, instructors and students have been removed or jailed, to be replaced by more manageable substitutes. Despite this, however, so great is the discontent with government policies and personalities that arrests continue, year after year, with monotonous regularity.

In Peiping and Tientsin alone, from November, 1934, to March, 1935, over 230 political prisoners, including dozens of students, artists, teachers and writers, were locked up; during 1934 arrests in this category in these cities totaled over 800. Dr. Feng Yulan, head of the Philosophy Department at Tsing Hua University, was arrested for an “unsatisfactory” (that is, not unfriendly) speech concerning

the Soviet Union. Many high school students, between the ages of 15 and 18, were jailed; in the instance of Dr. Sun Kung-kwang, head of the First Middle School, eleven of his students were arrested with him and sent to the great political prison at Nanking.

Little leaks into the press about such raids, most of which are conducted secretly by Kuomintang or military police. A system of individual rewards for policemen has been widely instituted, and this naturally leads to innumerable abuses, such as the fabrication of evidence and the “planting” of books and papers, in order to get the \$40 or \$50 per head promised for Red sympathizers. Prisoners are, of course, rarely given a court trial, but come before a military or Kuomintang tribunal; in most instances they never see a lawyer or a judge. They are usually taken directly to Kuomintang headquarters, where they are either given jail terms or, if they possess sufficient money or influence, let off with the signing of a pledge to combat communism and support the Fascist dictatorship. In some cases they are executed. Jails throughout China have long been crowded with political prisoners, and many are now held in special detention chambers at party headquarters.

Arrest does not, in such circumstances, mean that the victims are Reds, nor, for that matter, does imprisonment. At Tsing Hua, a university backed by the American Boxer Indemnity Fund, for instance, twenty-one students were arrested early this year. Some were writers, but the majority were apparently jailed for membership in the college Sit and Talk Society, formed purely as a discussion group. Similarly, many students arrested at Peking National and other universities are usually older and serious-minded men and

women demonstrating too realistic an interest, through writing and speech, in social and political problems. Yet such arrests apparently do not achieve the desired intimidation of other students; on the contrary, they seem to drive thought further to the left. This is especially true of the young men and women jailed for anti-Japanese activities, whose attention, after release, tends to centre on Nanking.

Free student unions have been abolished on the ground that students can thus devote more time to study. Nor can professors organize in societies not recognized by the Kuomintang. Student meetings must be attended by a Kuomintang representative—now generally a Blue Jacket—and lecturers must be approved in advance by the educational censors. In spite of this, secret organization, in which every Chinese is very skillful, persists among teachers and students just as among peasants and workers.

What amazes and gradually persuades the observer of the ultimate futility of all efforts to stamp out the growth of a new social culture in China is the vitality with which it constantly renews itself. Seven years of drastic purgation apparently have made little impression on the sources of revolutionary thought. Arrest, torture, imprisonment, possible death, are penalties threatening all, from the pale Pink to the deep-dyed Red. Superficially everything seems against them, but new heads arise, new leaders replace the old, little nuclei dispersed regather and dig up their books from the earth, and make new plans.

That the Fascist culture implicit in the New Life movement and the Confucian Revival will finally succeed in choking this many-headed enemy is the hope of its creators. Hence they not only attack militant radicalism,

with the help of the Japanese and other foreign spy systems, but also heavily subsidize an inspired cultural reaction. Everywhere the Fascists are setting up and in many cases circulating free of charge new magazines and newspapers primarily devoted to the denunciation of communism, and engaging also in violent personal attacks against non-Fascist cultural leaders. Arrested Leftists and menaced liberals are being "converted" by measures of force and often torture into paid writers for the culture of the dictatorship.

All this has so far had very little effect on the Chinese people as a whole, but it has stimulated intellectual opposition. Nor has it brought the masses closer to Nanking. One important reason for this is that fascism in China must play the dual and contradictory rôles of nationalism and pro-Japanism. This means that the agencies that combat class war and preach Confucian class harmony on the basis of patriotism are obliged also to suppress the anti-Japanese boycott movement, in compliance with demands of the Japanese militarists, without whose consent and domination neither the Kuomintang nor the nascent Fascist movement could exist.

This and other obviously disintegrating factors inherent in China today thus narrow the sources of Chinese fascism and limit its scope and appeal. The materials on which it would build are economically and politically undermined by the Japanese strangle-hold on Nanking; the emotional and cultural forces which it would evoke are disillusioned and spent. The Chinese are too old a people, too cynical and too fundamentally realistic to be made into flag-waving cousins of the Italians and the Germans. And they are far too hungry.

Shaw: Socialist and Aristocrat

By ST. JOHN ERVINE*

GEORGE BERNARD SHAW will be 79 years of age this month, having been born in Dublin on July 26, 1856. His parents belonged to the lower ranks of what are called "good families"—Mr. Shaw's second cousin was a baronet—and although George Carr Shaw, his father, a corn merchant, derived his exiguous income from wholesale trade, he thanked heaven that he was not engaged in any retail business, and would have felt utterly humiliated if he had been expected to associate with persons so tainted!

In this atmosphere of Irish snobbery, than which there is nothing more stupendous in the round world, George Bernard Shaw grew up. His father was, as has been indicated, an unsuccessful business man with a disconcerting and unexpected sense of humor. He also drank, and when Shaw discovered this, it was responsible, he said, for his never "believing in anything since."

When the boy, this only son of his parents, was 11 years of age, he was enrolled as a pupil at the Wesleyan Connexional School in Dublin, where he failed to make much impression on his masters. "He seems to have been generally near or at the bottom of his classes," and was not only idle himself, according to his biographer, Archibald Henderson, but "a cause of idleness in others, distracting them from their studies by interminable

comic stories." His education at this school and at two others seems to have done little more than infect him with a horror of education. It taught him, he asserts, nothing whatever and prevented him from learning much.

Nevertheless, he was acquiring education elsewhere. His mother, Lucinda Elizabeth Gurly, to whom he bears a close resemblance, was a woman of unusual character and culture, a very fine musician, with an exceptionally pure mezzo-soprano voice, and in her house, which was frequented by musicians and especially by a remarkable teacher of music, George John Vandaleur Lee, the young Shaw acquired a knowledge of music which is profound. It was to be of practical value to him in London where, many years later, he became a music critic.

In addition to his education at home through music and, it may be added, the very Rabelaisian conversation of his Uncle Walter Gurly, a ship's doctor, who related improper stories to him in strictly biblical language, he was training himself in the appreciation of pictures through frequent visits to the Irish National Gallery. He was better informed about pictures when he was 15 than some art critics are at any period in their lives.

In 1871, when he was 15 years of age, Shaw, through the influence of an uncle, entered the office of an estate agent, Charles Uniacke Townshend, and became a clerk at a salary of 18 shillings a month. He became so proficient in his work that he was quickly promoted to positions of great

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responsibility and, at the end of four years, was in receipt of a salary nearly eight times as large as that on which he began. The legend that the man of letters is incapable of business is seldom true; it is totally untrue so far as Bernard Shaw is concerned, for few business men manage their affairs as ably as he manages his.

Soon after he had entered this office, his mother decided that life in Dublin with a drunken husband, even if that husband had a sense of humor and was often very entertaining, was more than she could bear. She, therefore, withdrew herself and her two daughters, Elinor Agnes and Lucinda Frances Carr, to London, whither she had been preceded by Vandaleur Lee, and maintained herself and the girls by giving lessons in singing. She left her son in the unthrifty guard of his father, who, however, atoned for some of his intoxication by sending the boy into fits of laughter. As the elder Shaw did not prosper, his son departed from Dublin in March, 1876, to join his mother in London where, a short time before, his sister Agnes had died of consumption. His arrival embarrassed his mother, who lived on what she could earn and a pound a week paid to her by her husband. She had her son now to maintain.

Before he left Dublin, he made his first contribution to the press, a letter, written when he was 19 and published in *Public Opinion* on April 3, 1875, in which he passed an adverse opinion on the religious revival which was then being led in Great Britain and Ireland by two American evangelists, Dwight L. Moody and Ira Sankey. In this letter he sounded the note which he has sustained with singular consistency throughout his career—the note of aristocracy.

The fact that Shaw is a Socialist has misled the superficial into the

notion that he believes in democracy. He has never professed the slightest belief in this doctrine at any time in his life. On the contrary, he has often and with immense vigor expressed his contempt for it. His admiration for dictators has never been disguised. Any dictator will do, provided that he dictates. In his letter to *Public Opinion*, Shaw rebuked the respectable classes for attending the Moody and Sankey missions.

"Respectable audiences," he wrote, "were precisely those which were least likely to derive any benefit from them. It is to the rough, to the outcast of the streets, that such 'awakenings' should be addressed; and those members of the aristocracy who by their presence tend to raise the meetings above the sphere of such outcasts are merely diverting the evangelistic vein into channels where it is wasted, its place being already supplied, and as, in the full routine of hard work, novelty has a special attraction for the poor, I think it would be well for clergymen, who are nothing if not conspicuous, to render themselves so in this instance by their absence."

The reference in this remarkable letter to the "aristocracy," in the social sense, is surprising to those who read it, for the Irish aristocracy, a hunting, hard-drinking set, for the most part, was exceedingly unlikely to be prominent, if present at all, among those who listened to the pious exhortations of the American evangelists.

In Ireland, however, in those days, and probably in these, there were only two classes—the aristocracy and the lower orders. An Irishman who was not a workman or a peasant or a shopkeeper would have died rather than admit that he belonged to the middle class. There was no middle class in Ireland, except perhaps in Ulster, and there only in Belfast. An

Irishman was either a gentleman or not a gentleman, as Shaw's father had been careful to point out to him, and it was unbecoming, Shaw thought, for a gentleman to be seen kneeling at the penitent form or accepting spiritual direction from social inferiors.

The attitude he then took up he has ever since maintained. He does not, indeed, base his exclusiveness on class distinction, a distinction which allows some uncommonly stupid and even caddish persons to give themselves airs of superiority for which there is no other warrant, but on intellectual and spiritual distinction. A few are born to rule and a multitude are born to obey. On that basis, first laid down in his letter to *Public Opinion*, Shaw has built his general belief.

The first nine years of his life in London were passed in poverty and would have been oppressed by a sense of failure if Shaw had possessed such a sense. His literary earnings in that time amounted to £6 (\$30). For a brief period he worked in the office of a company formed in London "to exploit an ingenious invention by Thomas Alva Edison," but his distaste for commercial life, acquired in Dublin, continued and prevailed in London.

He set himself undauntedly to the career of a man of letters, and in the five years 1879 to 1883 wrote five novels, the first of which, "with merciless fitness," was entitled *Immaturity* and was declined by all the publishers, including Chapman & Hall, whose reader, George Meredith, wrote "No" on it. The manuscript was thrown aside and was nibbled by mice, but "even the mice failed to finish it." This work was followed by *The Irrational Knot*, *Love Among the Artists*, *Cashel Byron's Profession* and *An Unsocial Socialist*. They proved equally unacceptable, and it was not until he had made many

friends in advanced political and humanitarian circles that they were published as padding in propagandist magazines. His tendency to tell his story in dialogue indicated that he was a dramatist and not a novelist.

In 1882, when he was 26 and the author of four unpublished novels, he attended a meeting in London addressed by Henry George to advocate his single tax theory. Shaw at once became a convert, but on reading Karl Marx's *Das Kapital* shortly afterward, he turned to socialism.

He now became a public speaker, engaging eagerly and untiringly in controversy and debate. He was not at first a capable platform orator, but he soon made himself one. By dint of hard and persistent speaking to "audiences of every description, from university dons to London washerwomen," he turned himself into an exceptionally skillful debater. In his seventy-seventh year he addressed a meeting in New York for ninety minutes without any appearance of fatigue, and, though perhaps the matter was familiar stuff, he spoke well.

In 1884 he joined the Fabian Society, a famous group of intellectual Socialists who rigorously excluded emotion from their appeals, and here he met and worked with Sidney and Beatrice Webb, Graham Wallas, Sydney (now Lord) Olivier, Annie Besant and, a little later, James Ramsay MacDonald. Other friends whom he made at this time were Edward Carpenter and William Morris. His renown spread and his fortunes mended. He criticized books for the *Pall Mall Gazette* and pictures for the *World*. He became a musical critic and then a dramatic critic, and made himself widely known by the vigor of his writing and the abundance and brilliance of his wit. His initials, "G. B. S.," soon became celebrated.

About the end of April, 1898, an injury to his foot made him a cripple for a period and, a few weeks later, on June 1, 1898, he was married to Charlotte Payne-Townshend, a well-to-do Irishwoman, who had nursed him through his illness. He was then the author of at least four plays, none of which had been acted, although all of them had been published. It was not, indeed, until 1904, when he was 48, that he was conclusively accepted on the London stage, although his vogue in New York and Germany had begun about six years earlier.

His first play, *Widowers' Houses*, was completed in 1892, seven years after it had been begun in unsuccessful collaboration with William Archer, who, partly because of that experience, but chiefly because his ideas of authorship were entirely different, asserted in public that Shaw had "no special ability and some constitutional disabilities" for dramatic authorship. *Widowers' Houses* was followed in quick succession by a long series of plays, now numbering over forty, which obtained a world-wide renown for their incomparable verve and wit and audacious ideas. His energy from that year remained unflagging, and, in addition to his arduous work as a dramatist, he engaged in every kind of controversy, oral and written, on the platform and in the press, on a great variety of subjects, ranging from art to vivisection.

The bulk of Shaw's work as a dramatist was done after he had passed his fortieth year, and about half of it was achieved after he had reached the age at which Shakespeare died. The three plays which are now regarded as his greatest, *Heartbreak House*, *Back to Methuselah* and *Saint Joan*, were written when he was well over 60. He was 58 when his most notorious political pamphlet, *Common*

Sense About the War, which time has amply justified, was published, and he was 72 when he wrote a long and closely argued book on economics, entitled *The Intelligent Woman's Guide to Capitalism and Socialism*.

His ability to provoke controversy and his fertility in debating ideas were fully sustained in *The Adventures of a Black Girl in Search of God*, a small work which was issued in his seventy-sixth year and immediately caused a large number of replies to be written by clergymen of advanced views. A distinguished theologian, Canon Streeter, complained that Mr. Shaw was unacquainted with recent developments in theological thought, but the complaint was scarcely justified since Shaw was tilting at popular conceptions of religion and not at those held by advanced theologians.

Early in 1934, while on a voyage to and from New Zealand, Shaw wrote one short and two long plays. He was then nearly 78. Most recently, in his seventy-ninth year, his play *The Simpleton of the Unexpected Isles* was produced by the Theatre Guild in New York on Feb. 10, 1935.

The list of Shaw's plays is too long to be set forth in this article, but it includes an astonishing variety of work, ranging from exposures of social wrongs, as for example slum ownership in *Widowers' Houses* and organized prostitution in *Mrs. Warren's Profession*, to philosophical and religious disquisitions, as in *Misalliance*, *Androcles and the Lion* and *Heartbreak House*; metabiological prophecies, as in *Back to Methuselah*; dramatized historical chronicles as in *Caesar and Cleopatra* and *Saint Joan*, and political lamentations, as in *The Apple Cart*, *Too True to Be Good* and *On the Rocks*.

In these three political plays, his bias against democracy is plainly re-

vealed, especially in the long prefaces which accompany them in publication. In the preface to *On The Rocks*, indeed, his most ardent admirers receive some shocks to their faith in his beliefs, for he here ranges himself on the side of the most arbitrary dictators, although in doing so he contrives in an amazing manner to contradict himself. The preface, a brilliant and vigorous piece of prose, enshrining many noble sentiments and phrases, opens with the assertion that "we are confronted with * * * a growing perception that if we desire a certain type of civilization and culture we must exterminate the sort of people who do not fit into it," and ends with a flat contradiction of this assertion, namely, "that a civilization cannot progress without criticism, and must therefore, to save itself from stagnation and putrefaction, declare impunity for criticism. This means impunity not only for propositions which, however novel, seem interesting, statesmanlike, and respectable, but for propositions that shock the uncritical as obscene, seditious, blasphemous, heretical, and revolutionary."

The Shaw who wrote the conclusion of that preface is vastly different from, and more impressive than, the Shaw who wrote its beginning. A society in which a man is exterminated or, in the euphemistic expression used by the Bolsheviks, liquidated because he does not strictly conform to the wishes of those who happen to be in authority, is a tyranny, whether it calls itself a Fascist State or a Soviet; and those who make this demand of every member of the community arrogantly assume that they possess the absolute truth about life and government.

But Shaw, in the brilliant dialogue between Pilate and Jesus which he includes in the preface to *On the Rocks*,

makes the Saviour say: "Law is blind without counsel. The counsel men agree with is vain: it is only the echo of their own voices. A million echoes will not help you to rule righteously. But he who does not fear you and shews you the other side is a pearl of the greatest price." In that reply Jesus is made to destroy the argument for democracy, but in it He destroys also the argument for dictatorship. "Beware," Jesus is made to say to Pilate, "how you kill a thought that is new to you. For that thought may be the foundation of the kingdom of God on earth."

It is strange that the Shaw who imagined those words should also have imagined the dreadful plea for intolerance and tyranny with which he fills the opening pages of this extraordinary preface, stranger still that he should seem to tolerate systems of government that can only be compared, in their methods, to those of gangsters, and should be indifferent to the fact that those who plead for violent and repressive governments must, if they do not amend their ways, provoke their replacement by governments no less violent and repressive.

"There have been summits of civilization," Shaw says, "at which heretics like Socrates, who was killed because he was wiser than his neighbors, have not been tortured, but ordered to kill themselves in the most painless manner known to their judges. But from that summit there was a speedy relapse into our present savagery."

Does Shaw regard the alternatives presented by Hitler to his erstwhile colleagues, of committing suicide or being executed, as a return to that summit? Or may we believe that the wretched Roehm, when offered this alternative by Hitler, a little redeemed an ignoble life by refusing to shoot himself and insisting that Hitler

should do his own dirty work? Is the life of man to be a succession of tyrannies, each vaunting itself to be full of good intentions and at the same time surpassing its predecessors in bloody brutalities until, "to the end of history," as Caesar says to Cleopatra, "murder shall breed murder, always in the name of right and honor and peace, until the gods are tired of blood and create a race that can understand"?

The general religious belief expressed in the plays—and the word "religious" is used advisedly, for nothing is so plain in Shaw's writing as his intense religious fervor—is that God, or the Life Force, is an imperfect Power striving to become perfect. If He were omniscient and omnipotent He would not tolerate certain horrors in the lives of His creatures any more than an ordinary father would tolerate disease in his children if he could prevent it. The whole of time, in Shaw's opinion, has been occupied by God in experiments with instruments to help Him in His attempt to perfect Himself. When He found that these instruments were either useless or no longer serviceable, He scrapped them. If man fails to achieve God's purpose, God, according to Shaw, will become impatient with him as He became impatient with the mammoth beasts, and will inexorably scrap him.

Shaw, in his old age, is physically as fine as ever he was. His tall, erect figure—he is about six feet in height—is as supple as a young man's. He walks as vigorously as any youth, and can outlast his juniors on any hill. His beard and hair, once red, are now almost white, save where a tint of the original red remains. His light blue eyes are full of laughter that can, however, fade into noble anger. In spite of his amiability, he can be

devastating in his attitude toward fools and knaves, and he speaks his mind almost brutally to those who try to impose upon his kindness or his belief. He does not suffer fools gladly. He does not suffer them at all.

His life is austere and his habits are solitary. He does not drink intoxicating liquors nor does he smoke. He is a vegetarian. Controversy and debate and all forms of intelligent discourse are his chief recreations. He does not play any organized games—his aristocratic nature forbids him to take part in democratic enterprises—but is fond of motoring, reading, swimming and walking. Each of these amusements or exercises, it will be observed, is either exclusively, or almost exclusively, a solitary pastime. His attachment to the theatre and to music and to pictures is known, but his attachment to the cinema is less known and less understandable. He is fond of his friends but is not dependent on them. Oscar Wilde's epigram, "Shaw has no enemies, but his friends do not like him," is, as many of Wilde's epigrams are, both false and silly, for Shaw's friends are deeply attached to him, and he has many enemies.

It has been his fate to live long enough to find his audacities accepted as a part of the common belief, and he is no longer regarded as startling, is even accused, by the very young and the very aged, of being old-fashioned and out of date. He bears these charges with gayety and fortitude, although he is sometimes suspected of exerting himself overmuch to retain the good opinion of the young. Although it is inevitable that a man of genius shall seem smaller to one generation, especially the generation which follows his own, than to another, Shaw has been the potent figure of his time, and that potency will not fade or pass.

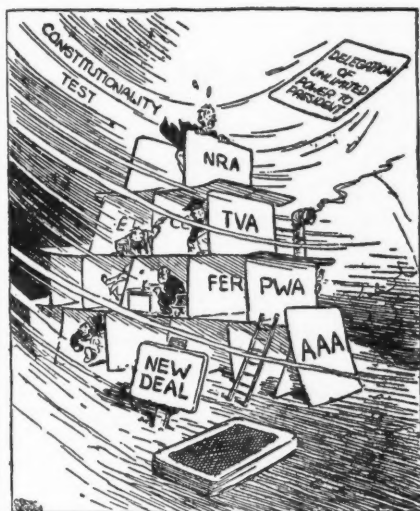
Current History in Cartoons



Bzzzzzzz
—Emporia Daily Gazette



Blocked
—Rochester Times-Union



The house of cards
—Chicago Daily News



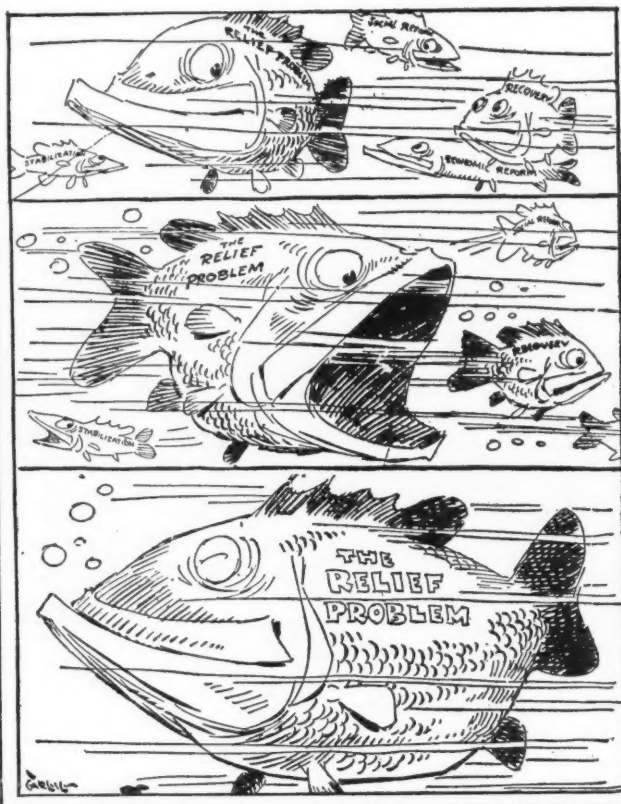
Lilliputian rope
—St. Louis Star-Times



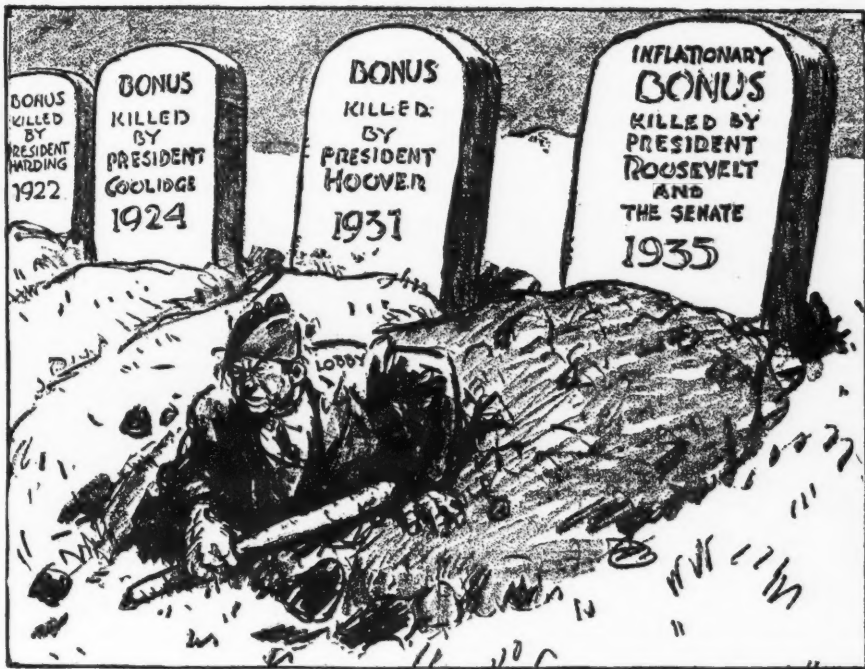
"I only needed the harness lifted"
—St. Louis Post-Dispatch



Good news
—Chicago Daily News

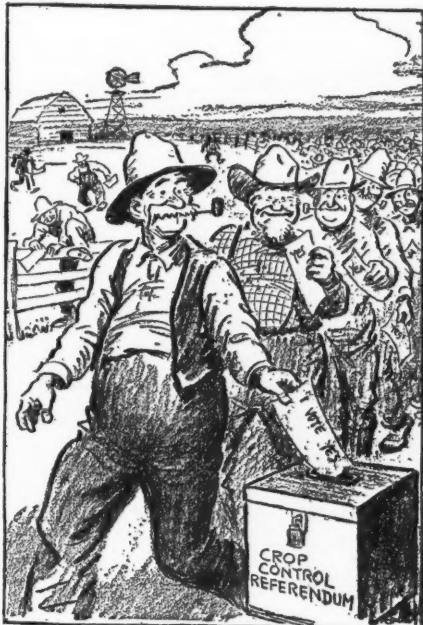


The big fish and
the little fish
—Portland Press
Herald



Graves he has known

—New York World-Telegram



Line-up in the wheat belt

—Dallas Morning News



Uncle Franklin's unpleasant job

—Daily Oklahoman



Still worshiped
—St. Louis Star-Times



Growing
—Providence Journal



"You fellows care if I sit in?"

—Chattanooga Times

The sleeper
wakes

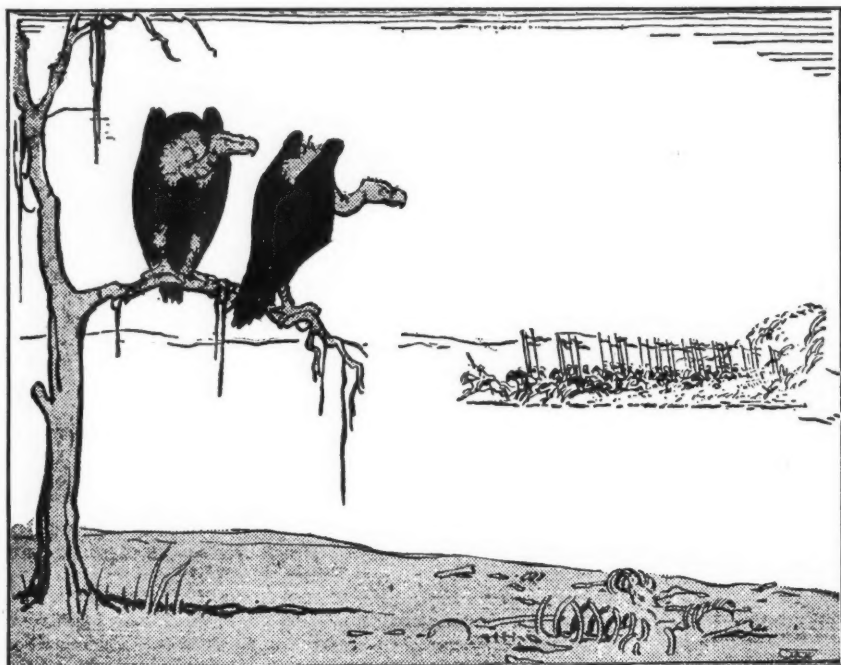
—*De Groene
Amster-
dammer*



Just call me "pal"
—*Arizona Republic, Phoenix*

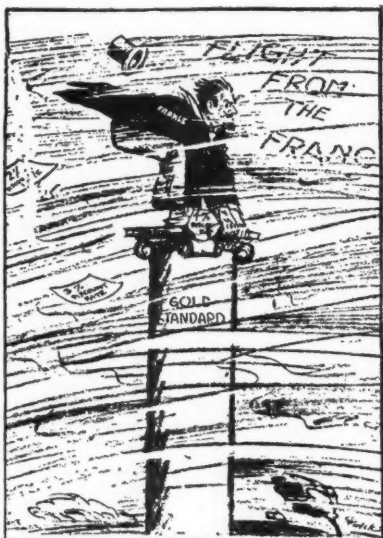


Olive branch from Albion
—*The Sun, Baltimore*



On watch in Abyssinia

—Glasgow Record



How long can he hang on?
—Christian Science Monitor



Mars (at the American manoeuvres)—
"What a waste of good material!"
—Guerin Meschino, Milan

A Month's World History

Chronology of Current Events

(Figures indicate page numbers.)

International Events

- May 10—Laval visits Warsaw (404).
- May 15—Soviet Union and France seek Eastern European accord (404).
- May 16—Soviet Russia and Czechoslovakia sign mutual assistance pact (404).
- May 20—Ethiopia's ruler makes personal appeal to the League (408).
- May 22—International Wheat Advisory Commission meets in London (406).
- May 24—Italy submits to League on arbitration with Ethiopia (409).

The United States

- May 6—Supreme Court voids Railroad Pensions Act (345). Senator Cutting killed in air crash.
- May 7—Senate passes Patman bonus bill.
- May 9—House passes Banking bill.
- May 11—Rural power agency set up.
- May 13—Secretary Morgenthau invites nations to move toward stabilization (405).
- May 14—Senate votes ten months' extension of the NRA. Senate rejects Long's demand for Farley inquiry. Senate votes Norris bill to strengthen TVA. Roosevelt attacks AAA foes in speech to farmers. Toledo auto strike ends. Filipinos endorse Commonwealth scheme in plebiscite.
- May 15—Hoover advocates abolition of the NRA.
- May 16—Senate passes Wagner Labor Bill.
- May 20—President Roosevelt sets scale of relief wages.
- May 21—Jane Addams dies.
- May 22—President Roosevelt vetoes bonus (360).
- May 23—Senate sustains bonus veto (360).
- May 27—Supreme Court rules NIRA and Frazier-Lemke Act unconstitutional (346).
- May 31—President Roosevelt suggests constitutional change as political issue (350).

Canada

- May 20—Parliament reassembles at Ottawa (410).

Latin America

- May 26—Congressional election in Colombia (413).
- Pan-American Commercial Conference meets at Buenos Aires (415).
- June 9—Bolivia and Paraguay accept temporary truce in Chaco (413).

The British Empire

- May 1—First public sitting of British Arms Inquiry (418).
- May 6—Jubilee celebrations begin in Britain.
- May 15—Free State Budget introduced in Dail (419).
- May 17—Dublin transport strike ends (418).
- May 22—British Commons approves air expansion (403).
- May 24—Western Australia Secession Petition refused by Parliamentary Committee (419).
- May 29—Housing Bill passes House of Commons (417).
- June 5—Government of India Bill passes House of Commons (417).
- June 7—Stanley Baldwin forms government upon resignation of Ramsay MacDonald (416).

France and Belgium

- May 5-12—Municipal elections in France (421).
- May 19—French Line strike ends.
- May 23—Bank of France raises rediscount rate (422).
- May 27—Belgian mine strike ends (424).
- May 28—Premier Flandin asks French Parliament for extraordinary powers (422).
- May 31—Flandin Cabinet falls (423).
- May 31—Fernand Bouisson forms French Cabinet (423).
- June 4—Bouisson Cabinet falls in Paris (423).
- June 7—Laval forms French Cabinet (423).

Germany and Switzerland

- May 14—Swiss Court holds "Protocols of Zion" are forgeries.
- May 21—New German Army Law decreed (425).

May 22—Hitler before the Reichstag delivers conciliatory speech on international affairs (402).

June 2—Swiss referendum rejects constitutional amendment (428).

Spain and Italy

May 6—Lerroux forms Spanish Cabinet (428).

May 7—Italy calls 200,000 to colors (407).

May 14—Mussolini warns powers to keep out of Ethiopian dispute (408).

Eastern Europe

May 5—Elections in Yugoslavia (435).

May 12—Marshal Pilsudski dies at Warsaw (431).

May 19—Nazis sweep German vote in Czech general election (434).

May 27—General Goering visits King Boris of Bulgaria (405).

June 9—Parliamentary elections in Greece (436).

Northern Europe

May 2—Lithuania replies to Guarantor's protest note on Memel (437).

May 5—Three year mandate of Memel Chamber of Deputies ends (437).

May 18—President Smetona of Lithuania commutes death sentences of Memel Nazis (437).

May 25—Trade treaty between Sweden and the United States signed (438).

May 27—Sweden celebrates 500th anniversary of her Parliament (438).

The Near and Middle East

May 1—Turkish Government purchases Smyrna-Aidin Railway from British interests (442).

May 2—Heir to Iraqi throne born (444).

May 5—Minor plot against Turkish republic discovered at Isparta (442).

May 10-17—General Congress of Turkish Republican People's party (442).

May 18—Turkish Cabinet adopts pre-military training for children (442).

May 22—Egyptian Cabinet approves public works plan.

May 23—Tribal revolt in Iraq reported crushed (444).

May 25—League Council postpones decision on frontier dispute between Iraq and Iran (443).

The Far East

May 10—Japan sets up National Policy Council to curb military.

May 16—United States, Britain and Japan announce establishment of Chinese embassies.

May 29—Japanese Army threatens to occupy region south of Great Wall (446).

June 5—Chinese Government reported as yielding to Japanese demands (446).

Peaceful Counsels in Europe

By ALLAN NEVINS

AFTER weeks of hectic uncertainty and trepidation, Europe in May treated the world to a humdrum, unexciting month. Hitler faded from the newspapers' front pages, sometimes even from the inside pages, for days together. Such minor occurrences as King George's Silver Jubilee, the death of Pilsudski and the first voyage of the French liner *Normandie* have given the news its principal touches of color. Probably a considerable part of the English-speaking world, if asked to state the most interesting European event of the month, would pass over Hitler's speech of May 22 and say that it was the death of Lawrence of Arabia. Nothing aroused much international

emotion save the continued Italian mobilization, material and moral (perhaps we should say immoral), against Abyssinia. There appeared a hopeful prospect that, with Germany temporarily satisfied by her achievement of the full right to arm, and no nation prepared to embark upon hostilities, Europe was about to begin a peaceful Summer.

It is especially pleasant to record that there has been an end not only to the panic started by Hitler's abrupt repudiation of the military clauses of the Versailles treaty but to the hostile precautionary movements that seemed to aim at the utter isolation of Germany. Western Europe has recovered from its attack of nerves.

Stresa has had no sequels; it re-emphasized the Locarno pact, and Great Britain at least is unwilling to go beyond that. No doubt France would like to encircle Germany with an iron ring of unyielding nations, but for several reasons no further movements have been made in that direction. France has had her hands full with her financial troubles, Italy with her African question. And Great Britain has been interested chiefly in trying to learn what Germany really wants and what she will really offer.

May opened, in fact, with a formal British declaration of policy obviously directed toward Germany. Prime Minister MacDonald on May 2 initiated a debate on foreign affairs in the Commons by making three definite statements: (1) That Great Britain's air strength must be kept fully equivalent to Germany's, and that "accelerated expansion" of the air force was therefore necessary; (2) that the government was anxious to see the senseless competition in aerial armaments stopped, that the obvious way to do this was by the addition of a new air agreement, signed by France, Germany, Italy, Belgium and Britain, to the Locarno pact, and that the government recommended suitable steps, "especially to the German Government"; (3) that while the British deplored the German decision to build submarines, they still attached hopes to the Anglo-German naval discussions to begin at the end of the month. MacDonald referred to the partnership of Great Britain, France and Italy as not only a guarantee of peace but a free companionship into which every peace-loving nation would be welcomed.

The ensuing debate was distinctly conciliatory. Sir Herbert Samuel, supporting the proposed air agreement, asked Germany to realize that the

British people would resent having to shoulder a heavy new competitive burden. George Lansbury spoke of the vital importance of using pacts and alliances only in conjunction with the League, not in place of it. Sir John Simon, in closing the discussion, emphasized the importance of Great Britain's rôle as a mediator, and implored Germany to do her part for peace not merely by words but deeds. Sir Austen Chamberlain alone was somewhat threatening.

A few days later—on May 7—the House of Lords debated a Laborite motion regretting the League resolution of censure on the Reich, and asking the government "to resume negotiations with Germany on lines which will be acceptable to the German people and will assure permanent peace in Europe." This evoked from Lord Stanhope, Foreign Under-Secretary, an invitation to Germany. She had often objected to the proposals of other nations, such as the Eastern Locarno. "Very well, let her propose an arrangement and let us see if we can get agreement on proposals she herself stands by."

This was plainly an effort on Great Britain's part to remove the sting of the silly, hypocritical and worse than useless "censure" of the Reich by the League Council, and to coax Hitler into the paths of peace. There was a certain magnanimity about it. We must recall that the Stresa Conference had been immediately followed by Germany's announcement that her air fleet was as large as Great Britain's and this in turn by the news that she had recommenced the construction of submarines. But the British are anxious to avoid heavy new taxes for armaments, and Stresa made many of them nervous lest their ideal of a "collective system" in Europe be replaced by the hard actuality of Eu-

ropean domination by an alignment of the Soviet Union, France, Italy and Great Britain—a precarious and dangerous domination. British moderates insist that the return of Germany should be made easy.

Hitler was thus invited to speak, and speak he did, at great length and with dramatic effect, before the Reichstag on May 22. His address disappointed his enemies and detractors, and heartened all remaining friends of Germany. Direct, frank, logical in structure, brilliant in presentation, it did not lack vigor or even touches of defiance. He denounced with energy the Versailles treaty as an instrument designed to reduce Germany forever to the position of a second-rate power; he declared that the Reich had now determined for itself the size of its armaments, and would accept no dictation in the matter; and he derided some of MacDonald's statements about Allied disarmament. But his central theme was Germany's devotion to peace.

The Nazi Government, Hitler said, had vast plans for internal growth and reorganization. Its immediate undertakings could hardly be realized within ten or twenty years; its more idealistic aims within fifty. The imperative requirement of National Socialism was peace and economy. His speech made an instant impression not only of fairness and earnestness but of increased maturity and sense of responsibility.

Although there was little that was absolutely new in the speech, it did restate many of Hitler's former assurances with enhanced force. He said once more that Germany would unconditionally respect all parts of the Versailles treaty except the armament clauses; that since the Saar plebiscite she had no further territorial demands to make upon France;

that she would accept (however reluctantly) the demilitarization of the Rhineland; that she hoped to renew again and again her treaty with Poland; that she had no intention of interfering in the internal affairs of Austria, though she does wish to see the Austrian people given full rights of self-determination; and that she regretted her recent estrangement from Italy.

Hitler also reiterated Germany's willingness to agree to the limitation of navies, air forces and land armaments. The Reich, he said, would keep her fleet restricted to 35 per cent of the British strength; it would gladly limit or abolish submarines; and it would go as far as the other powers in placing bounds upon the use of heavy artillery and heavy tanks. He repeated that Germany stood ready to sign immediately an air convention supplementing the Locarno pact. While he had made all these statements before, he had never made them in so comprehensive or categorical a form, and his willingness to accept the demilitarization of the Rhineland was especially notable.

It is true that Hitler left himself some loopholes. He stated that while Germany will join at any time in a truly collective system for maintaining peace, she "considers it necessary to meet the law of eternal development through a reservation for the revision of treaties." But he added distinctly that he believes in revising treaties—he doubtless had the Eastern frontiers in mind—by peaceful understanding. It is true also that Hitler may not be so trustworthy a spokesman for Nazi Germany as he thinks he is. It would be interesting to know what General von Blomberg and other high military leaders think. But on the whole, the speech may be taken as an emphatic pledge of the

present German Government to respect the peace and join in the work of armament reduction—if other nations move in the same direction.

The reception of the speech was generally cordial. To be sure, sections of the French and Russian press treated it with hostile suspicion. Those sections would attack the Angel Gabriel if he descended from heaven with a peace plan. But officially the French attitude was responsive. Government circles in Paris let it be known that they regarded the speech as "abolishing for the present the tension that has existed for the past three months." Neither Premier Flandin nor Foreign Minister Laval commented immediately. But Henri Bérenger, head of the Senate Foreign Affairs Committee, said for them on May 29 that they considered the speech the most decisive diplomatic act of the Third Reich, and that while they dissented from much of it, they also agreed with much. M. Bérenger added that however impossible it might be to think of a Franco-German rapprochement for years to come, he believed that a businesslike arrangement on the basis of mutual respect was perfectly possible. Satisfaction with the speech was expressed in Rome and Warsaw, while Vienna alone showed resentment. But the British response was naturally most cordial.

The British at once leaped at the hope of an early air Locarno; and as the month closed it seemed that this hope had a solid basis. On May 30 the British Government announced that it had received from Dr. von Hoesch, the Reich Ambassador, a draft scheme for a Western European air pact that Hitler would approve. The British had meanwhile drafted in outline an air treaty for submission to the four other nations, which included a limitation of military aircraft

and a scheme of international supervision of production. On May 31, when the House of Commons again debated national defense, Sir John Simon repeated that Germany had submitted a plan, but gave no details.

The Labor party seized upon the German offer as an argument for delaying the actual commencement of the new program for trebling the British air forces; the government should wait until October, their leaders declared. But both Simon and Eden thought this altogether too risky. Postponement, said Eden, "is just the one thing we cannot consent to under present conditions." The Soviet Union is now credited with 2,300 fighting planes, most of them in Europe; France with 1,500 in Europe and North Africa. Great Britain, under the program approved by the House of Commons on May 22 by a vote of 340 to 53, is building up to the 1,500 mark to keep abreast of Germany. But 1,500 first-line machines (as compared with 580 today) will cost a great deal of money which the British would like to save.

The all-important question was whether the French Government would consent to an air Locarno if negotiated apart from the other items of the Anglo-French program of Feb. 3. The British were all for immediate action. Both Sir John Simon and Captain Eden said so emphatically in the debate of May 31. They argued that only an air Locarno could prevent Germany from building up to the French strength within a year. They pointed out that Great Britain and Italy had a right to ask France to yield her old demand for the whole program or none, for up to now these two nations had buttressed the Locarno treaty without gaining anything directly from it.

As a matter of fact, the all-or-none

program would mean none. Part of the suggestions of Feb. 3 have been made obsolete by German action; others Germany would never accept. It is hard to see any reason for not proceeding with disarmament piecemeal, for, as Sir John Simon said, an air Locarno could be fitted into the general program later. At any rate, the most interesting question in European affairs today is whether Great Britain and Germany can put through a limitation on air forces, or whether the nations will continue building fleets that could reduce the whole Continent to a shambles within a few days.

M. LAVAL'S TRAVELS

In Eastern Europe the great event of the month was the death of Marshal Pilsudski. Next to this event, the subject of greatest interest was the trip which M. Laval, the French Foreign Minister, made on May 9-16 to Warsaw and Moscow. He left the Polish capital just before Pilsudski passed away. It is too early to assess the effect of the Marshal's disappearance upon Franco-Polish relations, but since Pilsudski's greatest hatred was of Russia, it is possible that Poland will now show France somewhat more cordiality than in the past year.

The great object of Laval's visit to Warsaw was to explain the new Franco-Russian treaty. The Poles feel that it needs a good deal of explaining. Their press was even chillier to Laval than it had been to his predecessor, M. Barthou. Polish leaders fear that the treaty may contain secret clauses and that, even if it does not, Russian troops, in case Germany and France went to war, would try to cross Poland to attack Germany.

News dispatches gave but a hazy idea of what passed between Laval

and the Polish Government. They indicated that the French Foreign Minister explained and defended the new treaty at length. They also indicated that he broached the idea of a revised Eastern pact to include Poland, Germany and Russia on the basis of mutual pledges of non-aggression, but without the pledges of mutual assistance to which Poland and Germany have so vehemently objected. For the public, an official communiqué stated that M. Laval and Colonel Beck had renewed the "close solidarity of the Franco-Polish alliance."

Laval was in Moscow on May 13. Here again were long talks. And here also the principal theme of discussion was a revised Eastern pact. On May 15 the French and Russian Foreign Ministers issued a joint statement that was taken as an invitation to the nations that refused to join the Eastern Locarno to come into a non-aggression compact—without military obligations. Already, of course, the German Government has indicated that it would look with favor on such a compact; Sir John Simon so announced in its behalf at Stresa on April 12. It is hoped that Poland will show equal willingness. But many practical details will have to be settled before the German and Polish leaders are ready to set their pens to paper. Meanwhile, on May 16, Czechoslovakia and Russia signed at Prague a mutual assistance pact similar to the recent Franco-Russian treaty.

DANUBIAN RIVALRIES

Though it has attracted little notice from the outside world, the political pot in the valley of the Danube has been simmering merrily. The reasons for this are simple. Mussolini's primary object in calling a conference of Danubian nations at Rome in June was to bring about an arrangement

for collective security that would help to stabilize Central Europe. He would like to see Austria, Czechoslovakia, Yugoslavia, Rumania, Hungary and Bulgaria agree to their present boundaries and to mutual guarantees of integrity. France and Great Britain would also like to see this. Hence the action they took at Stresa. The three powers joined there in recommending that the Little Entente agree to the rearmament of Austria, Hungary and Bulgaria in return for a system of collective guarantees.

But this program at once met obstacles. The Little Entente has been reluctant to sanction the rearmament of the restless Hungarians and Bulgarians. They do not trust these nations, which are fiercely discontented with their boundaries. They also declare that it is inconsistent for the great powers, which have been condemning German rearmament, to recommend it in the case of the neighbors of the Little Entente. Nor does this complete the opposition. Both Hungary and Bulgaria are unwilling to exchange their signatures to a mutual-guarantee system for the mere right to rearm. Hungary at least has been exercising that right anyway, as Germany did before her. She finds it hardly worth while to give up all her hopes of a revision of frontiers for a privilege she can easily seize.

In an effort to clear away some of these obstacles representatives of Italy, Austria and Hungary met at Venice at the beginning of May. They closed their conference on May 6 with a tacit agreement—according to press reports—to favor Hungarian demands for a larger army in exchange for Hungary's adherence to a treaty guaranteeing Austrian independence. It was also said that Italy would give moral support to the rectification of Hungary's frontiers.

The news of these decisions apparently had some effect upon the Little Entente. At any rate, a conference at Bucharest on May 10 and 11 of Ministers representing Czechoslovakia, Yugoslavia, Rumania and Greece reached a decision calculated to please the great powers. They took a realistic view of the situation. Bulgaria and Hungary were rearming secretly, and they could not stop it; why not get something for their consent? They therefore agreed to the precise recommendation made at Stresa. The Little Entente and Greece will not oppose rearmament of their World War enemies if Bulgaria and Hungary will join them in a six-power pact of non-aggression and mutual assistance.

It remains to be seen, of course, whether Bulgaria and Hungary will so agree. Neither nation regards its present limits as tolerable; and Hungary in particular has a strong moral case for the rectification of her boundaries. On May 27 the German Air Minister, Wilhelm Goering, visited Sofia—some said to negotiate a secret treaty with Bulgaria. It became known at the same time that a Bulgarian delegation recently paid a secret visit to Berlin. The next few months may well see some interesting decisions taken in this part of the world.

ECONOMIC AFFAIRS

In the economic and financial fields little has of late been accomplished for a greater measure of world cooperation. Secretary Morgenthau in a radio address on May 13 directly invited other nations to confer on the stabilization of the world's currencies, and at the same time indicated that the United States was prepared to protect itself if further devaluation took place abroad. This was perhaps in answer

to Mr. Hoover's recent demand for an early return to the gold standard. The response to the speech in Great Britain was chilly, while France was plunged before the end of the month into the gravest uncertainty regarding her currency. Secretary Hull also made a radio speech on May 22, appealing for cooperative action among nations to revive foreign trade by restoring price structures, lowering tariffs, and removing artificial trade barriers. These two utterances indicated a praiseworthy attitude on the part of the Roosevelt administration, but Europe will be slow to forget the fiasco of the World Economic Conference which we ourselves called in 1933.

A meeting of the International Wheat Advisory Commission was held

in London on May 22-24, but accomplished next to nothing. The so-called wheat pact concluded two years ago was to lapse on July 31 next. Already it had been virtually nullified by the refusal of Argentina, which has enjoyed bumper crops, to keep within the export total allocated to her. She exceeded her quota for 1933-34 by nearly 50,000,000 bushels, and is expected to exceed the quota for 1934-35 by more than 30,000,000. The first session of the board found the representatives of the twenty-one nations concerned in a suspicious and discontented mood. They finally agreed to an extension of the pact for one year—but with all governmental control undertakings suspended indefinitely. In other words, there is a compact but no enforcement.

Italy's Aims in Abyssinia

THE relations between Italy and Abyssinia gave rise early in May to really acute anxiety on the part of other powers, and for the first time caused a serious crisis at Geneva.

This anxiety was engendered at bottom by the obscurity that envelops Italy's intentions. It is said that the whole Italian demonstration against Abyssinia is a personal undertaking of Mussolini's, entered upon against the advice of Italian experts. But exactly what does it represent? Does he purpose the subjugation and annexation of Abyssinia? Does he intend merely to intimidate the Abyssinian tribes by a show of force and wring from them substantial concessions—say a band of territory to connect Eritrea with Italian Somaliland, with trading privileges? Or is he, as he now and then hints, a sincere lover of peace, who has sent enormous forces into Africa simply because he

has been rendered nervous by the heavy Abyssinian purchases of arms, the mobilization of Abyssinian forces and the hostility of many Abyssinian chieftains to the drawing of a new boundary? There are few who accept this third hypothesis. The choice lies between the first two, and the indications have thickened that Mussolini is bent upon conquest and annexation in the face of world sentiment.

There is an absurd disproportion between Italian grievances and the Italian thunder of speeches, newspaper broadsides and warlike preparations. One set of grievances has to do with border clashes between Italian and Ethiopian levies like that at Walwal. These are pin-pricks. The French have peaceably endured much worse marauding raids on the Moroccan and other frontiers for many years. The British authorities in the Anglo-Egyptian Sudan, to use a more forcible

comparison, have for decades suffered in far greater degree from uncontrolled Ethiopian tribes and have spent huge sums in patrolling their frontier without losing their temper. They have done so because they recognize that the Abyssinian Government has honestly done its best to control the turbulent raiders.

The other set of Italian grievances has to do with the undefined boundary and with disputed jurisdiction over certain wells at Walwal, Afdub and other border spots. It is said that official Italian maps as recently as 1925 placed the disputed area well within the Abyssinian boundary. But even if the Italian claim is good, the wells are simply brackish watering-places in a treeless, thorny scrub, sparsely populated, arid and of very slight value even for grazing. And, whatever the line, tribesmen on both sides of it could amicably water their flocks in common at the wells, as they have done for centuries past.

The apprehension and antagonism which the Italian movement has aroused in Great Britain and France have various roots. In part it springs from sympathy with weak little Abyssinia as she faces her powerful enemy. In part it is motivated by a conviction that the League, to which France got Abyssinia admitted some years ago, must be upheld. But there are more realistic considerations.

Under the Tripartite Agreement of 1906, Great Britain, France and Italy pledged themselves to respect Abyssinian independence, but also marked off for themselves certain spheres of influence. The French reserved certain rights in connection with the railroad from Jibuti to Addis Ababa. The British put in a caveat against any foreign control over Lake Tsana, one of the sources of the Blue Nile. And the Italians made it clear that if any-

thing happened to Abyssinian independence they would regard Southern Abyssinia as their spoil. This Tripartite Treaty was modified by the recent Italo-French agreement, by which Italy received a share in the Jibuti-Addis Ababa railroad. But France and Great Britain do not want an Italian conquest to obliterate their rights in Abyssinia. Nor do they want Italy to involve herself in Africa in a fashion that would weaken the Anglo-Franco-Italian front against Germany.

That front might be weakened in either of two ways. If an Italo-Abyssinian war breaks out, it might well consume more energy than Italy expects and leave her financially exhausted. No informed observer doubts that the war would be costly in blood and money and doubtful in result. The mountainous terrain, the hot climate and the fierce fighting temper of the Ethiopian tribesmen would combine to make military operations on a large scale difficult, with a possibility of heavy reverses. But the solidarity of the League powers might be broken in another way. If the League exerted itself to the utmost to restrain Italy from war, it might inspire the resentful Mussolini to withdraw. The result might be to throw Mussolini and Hitler together. The Italian press has already displayed an extraordinary antagonism toward Great Britain. It must be remembered that Mussolini cannot afford to lose heavily in prestige, for that would react upon the already nervous internal situation in Italy. Whichever way men look, the problem raised by Mussolini in impetuously embarking upon this African adventure has grave dangers.

The critical phase dates from May 7. On that day Mussolini ordered the mobilization of the entire 1913 class of recruits, 200,000 strong, for African service, and warned his people of

"the gravity of the situation." Simultaneously the Under-Secretary for the Colonies (Mussolini himself is Colonial Minister) declared it abhorrent that "a slave-holding, barbarous land" like Ethiopia should rule so much of Africa.

Diplomatic consultations were held on May 10 in both London and Paris. The British and French press, alarmed by the Italian preparations, began speaking of informal representations in Rome, of joint pressure and even of "intervention." This inspired Mussolini to treat the Italian Senate on May 14 to a fiery "hands off" address. He made it clear that he was irritated by the Anglo-French consultation. Italy, he said, would send as many troops to Africa as she pleased; he intended to take too many precautions for the safety of his colonies rather than too few; Italy would certainly brook no advice, much less interference, in so delicate a matter. He spoke significantly of the peril of harboring any "illusions" about the chances of a peaceful outcome.

This ominous speech found still more ominous echoes in the well-trained Italian press. It began reiterating certain ideas like a great sounding-board. It spoke of the sinfulness of various nations, France as well as Germany, in sending arms to Ethiopia. It assailed the hypocrisy of the British in objecting to Italian mobilization when they themselves were arming the Sudan frontier. It asserted that the savage slaveholders of Abyssinia are a blot upon African civilization. It declared that England and France should rejoice to see Italy put an end to the Abyssinian menace to their own colonies. It assailed the Ethiopian Government for not appointing commissioners of conciliation under the treaty of 1928.

These newspaper outbursts were as

inaccurate as they were venomous. Germany denied any shipments of arms to Abyssinia. Great Britain denied arming the Sudan frontier. Ethiopia has been attempting to abolish slavery; on May 18 the Emperor Haile Selassie, by sweeping decree, abolished serfdom throughout the land. It will take some time to enforce this decree among the feudal chieftains, but a beginning has been made. As for conciliation, the Abyssinians on May 17 named their own commissioners to meet two Italians already selected. Their representatives are an American, Pitman B. Potter, and a Frenchman, Albert de la Pradelle. But the Italian Government had already hamstrung the commission. It insisted that the body must confine its inquiry to the Walwal border incident, and avoid all consideration of the delimitation of the frontier and the interpretation of border treaties—the really important issues.

The whole Italian attitude, and particularly the cant about Abyssinian barbarism, looked like war. The lamb may well tremble when the wolf begins to blacken its character. The result was a bold display of leadership by Captain Eden at the eighty-sixth meeting of the League Council, beginning at Geneva on May 20. It was impossible for the League to shirk its duties. Viscount Cecil of Chelwood in a noble speech of May 16 made it clear that its friends would not permit that. Moreover, the British and French Governments held that Mussolini had made promises at the Stresa conference which gave them a right to advise Italy. Eden and the Italian representative, Baron Pompeo Aloisi, arrived in Geneva on May 19. Next day the Emperor Haile Selassie appealed to the League in a dramatic cablegram to protect his domain against Italian aggression; and Eden

and Aloisi began their private talks.

Finding that Mussolini, to whom Aloisi told such blunt truths as to imperil his own career, was adamant, Captain Eden appealed to Pierre Laval, the French Foreign Minister, for assistance. It was Laval who had signed the pact of Rome with Mussolini on Jan. 8 of this year—the pact that gave Italy certain concessions in East Africa. He was therefore in a position to deal boldly with Mussolini, and he came to Eden's assistance in vigorous fashion. The two men warned the Italian dictator that if he did not yield, the League would take up the dispute under Article XV, and after full inquiry publish its findings to the world. Italy can hardly afford to have her African designs made the subject of a condemnatory report. For three days, May 22-24, the world waited to learn if and how Mussolini would yield. Then, on May 25, it learned that late the previous night he had given in and accepted two resolutions which the Council had at once passed.

The League thus achieved one of the signal triumphs of its recent history. Under the resolutions, Italy and Abyssinia are to have until July 25 to settle their quarrel in accordance with the conciliation plan provided by the treaty of 1928. If they fail, the Council then meets and names a neutral arbitrator to join the previous conciliators in effecting an agreement. If the dispute then drags on until Aug. 25, the Council will take it over entirely.

Triumphant though the League was, the decision represented a compromise. Mussolini was compelled to recognize the League's jurisdiction; the British and French were forced to grant Italy's demand that for the present she deal alone with Abyssinia. Moreover, though the news dispatches said that the Conciliation Commission

would consider the whole dispute, nothing in the resolutions showed that they would go beyond the Walwal incident. The compromise may prove dangerous. Italy can increase her forces to bulldoze Haile Selassie. If she wants to she can easily bring about some border incidents and suddenly present the League with the accomplished fact of war. The most reassuring feature of the situation as the League left it is that the rainy season will not end until September, some days after the Council is scheduled to take over the dispute, if unsettled, and active warfare is impossible in the rainy season.

Yet it still looked as if Mussolini wanted war, for hardly had the delegates left Geneva on May 25 than the dictator made a new and more threatening speech to the Chamber of Deputies. This may have been a face-saving gesture after his concessions, but it looked rather like an assurance to the Italian people that the concessions meant nothing. He fiercely indicted Abyssinia for two horrible crimes—she had begun in 1929 to reorganize her army, and in 1930 to manufacture munitions of war! He called the Italian people to the defense of Eritrea and Somaliland. He spoke of the fact that the pending conciliation would be limited to the Walwal incident, and said again that "no one should nourish too many illusions on the subject." He declared that Abyssinia must not remain a pistol pointed perennially at the Italian head. And he closed by saying that Italy was "ready to assume all, even the supreme, responsibility." All this may have been rhetoric. The unhappy probability is that it is the prelude to another episode like the outrage upon Greece at Corfu. Europe succeeded in stopping that outrage. Can it stop the one now being planned? A. N.

Canada Considers Her Constitution

By J. BARTLET BREBNER

THE Canadian Government, in its efforts to cope with the depression by national legislation, finds itself faced with questions of constitutionality. This was the basis of the doubts expressed by Hugh Guthrie, Minister of Justice, when in May he introduced amendments to the criminal code for the enforcement of minimum wages and maximum hours. The difficulty is increased by the inevitable delays due to Canada's decision in 1931 to retain the right of appeal to the Judicial Committee of the Privy Council in London.

Parliament reassembled on May 20 after Prime Minister Bennett's return from the Silver Jubilee. The Commons passed the Unemployment Insurance Act and a \$33,000,000 appropriation for public works, but only with endless wrangling between government and Opposition. The Cabinet, moreover, was said to be sharply divided over the draft legislation arising out of the Price Spreads Commission and only five modest bills reached Parliament. The uncertainty could be blamed on no one in particular, but it paralyzed governmental action.

The Liberal Opposition has consistently argued that the Dominion cannot constitutionally establish compulsory national social legislation or many of the commissions and other national economic controls recommended by the Price Spreads Commission. Business and industry, of course, dislike the prospect and are inclined to back the Liberals as the likely winners in the impending national election. More and more it is felt that far-

reaching economic and social legislation must wait until after the country has delivered its verdict.

Mr. Bennett believed that he had circumvented some of the constitutional difficulties by exercising the Dominion's treaty-making power to ratify certain International Labor Office conventions relating to hours, but there seemed little doubt that Canada would have to consider revising the Constitution. The past six years have shown the need of re-examining Provincial indebtedness and the Provincial subsidy system, of integrating national and Provincial economies, of equalizing railway rates, of dealing with the surplus population in a contracted economy and of working out policies of international cooperation. Some, if not all, of these subjects seemed likely to be on the program of a Dominion-Provincial conference after the election. Dr. Arthur Beauchesne, Clerk of the Commons, in April asked the Parliamentary Committee on Constitutional Revision to consider a constituent assembly in Winnipeg, for which he submitted a list of subjects to be considered.

A much-discussed question during May was that of the Prime Minister's health and the future leadership of the Conservative party. London medical specialists pronounced Mr. Bennett to be organically sound but tired, but in no way did he indicate his intentions. By cutting out night work he managed quite well to carry on his Parliamentary duties and the radio would allow him to fight the election without undue exertion. Yet it was

generally believed that he would retire. Among those mentioned as likely to succeed him were H. H. Stevens, W. A. Gordon, Dr. R. J. Manion, W. D. Herridge and Senator Arthur Meighen. The fortunes of Mr. Stevens and Mr. Herridge depend on the popularity with the party and the nation of the "New Deal" they have sponsored. Conservative support for it, never enthusiastic, has distinctly weakened. Mr. Gordon, Minister of Labor, and Dr. Manion, Minister of Railways, are party regulars. Senator Meighen enjoys the double advantage of having been Prime Minister and of being on cordial terms with both Mr. Bennett and Mr. Stevens. His chances seemed best at the end of May, but a pronounced swing in favor of social reform would favor Mr. Herridge.

In addition to raising questions of the constitutionality of social legislation, Canadian Liberals have been professing to be concerned lest the Prime Minister commit Canada to unknown obligations during the conversations in London on imperial foreign policy and defense. Mr. Bennett joined the earlier meetings on foreign policy and reported on his return that the Dominions had in general supported British aims, but that Canada had made no commitments. He had reiterated Canada's insistence that Anglo-American relations be given major consideration in working out the problems of the Pacific. Moreover, Mr. Bennett left London for home before the meetings on defense on May 23, from which the Canadian High Commissioner in London also was absent.

Another evidence of Mr. Bennett's tactical good sense was the character of the royal honors list. The awards went to Liberals as well as Conservatives and, almost without exception, to those who had distinguished them-

selves in art, literature and public service. These exemplary choices, following almost equally good ones in the past, robbed Liberal objections to the revival of titles of much of their sting. It was notable, too, that no hereditary titles were given.

CANADIAN FOREIGN TRADE

Despite the Ottawa agreements and countervailing tariffs, Canada and the United States are rapidly again becoming each other's best customers and the old triangular relation in which Canada sells more to the United Kingdom than she buys from her and exercises any increased purchasing power in the United States has been reasserting itself. The total foreign trade continues to be distinctly better than in 1934 and the balance remained favorable, although imports increased. The most favorable sign in recent months has been increased sales in other countries as well as in the United Kingdom and the United States.

These trends, while most notable during the past six months, can be demonstrated by comparing figures for the twelve months ended April 30, 1935, with those of the preceding year. Canada's domestic exports to the United Kingdom and to the United States increased by 19.1 per cent and 14.4 per cent, respectively, and formed 41 per cent and 34 per cent of her total exports. Canada's imports from the United Kingdom and from the United States increased by 5.6 per cent and 23 per cent, respectively, and formed 21 per cent and 58 per cent of her total imports. Canada's total trade with empire countries was \$502,629,000, an increase of 17.4 per cent, and with foreign countries \$695,007,000, an increase of 12.5 per cent.

Chile Moves Toward Recovery

By HUBERT HERRING

PRESIDENT ARTURO ALESSANDRI, in his annual message to the Chilean Congress on May 21, gave an optimistic account of the nation's recovery. He held out hopes to bondholders of an early settlement. He stressed the excellent foreign relations of Chile and cited the forthcoming Chaco peace conference at Buenos Aires as evidence, though he failed to mention his own bellicose statements which a few weeks previously had all but wrecked the prospects for a conference. He announced that he would deal harshly with disturbers of the peace. He emphasized the improvement in Chilean agriculture, mining and industry.

It was the speech of a politician whose position is none too secure, for the easing of the depression in South America is making life more difficult for dictators born of hard times. Politically, President Alessandri represents the small minority of those who own land and other property. This minority is reasonably faithful to him, but dissident elements have become increasingly restive. The President's threat to use severe measures against malcontents is quite understandable.

Chile's foreign relations are not quite so happy as the President paints them. The chronic irritation between Chile and Argentina was not helped by his outburst in March. This was quickly glossed over, but the two Foreign Offices turned somewhat too ostentatiously to planning cooperative action for settling the Chaco embroglio. Behind it is the deep-seated Chilean suspicion of Argentina's am-

bition to secure hegemony in the headwaters of the Paraguay River and the equally obstinate Argentine conviction that Chile proposes to play with Bolivia in a Pacific entente.

During April and May the Chilean press renewed discussion of the Beagle Islands dispute and expressed anxiety over the Magallanes region of Chile. The Beagle Islands have been a bone of contention for many years. Because the Magallanes region is more readily accessible to Argentina than to Chile and is largely dependent upon Argentina economically, the Chilean President has revived the proposal for a tunnel to connect the region with Chile. Possibly this stirring of old international animosities can be explained by motives of expediency in domestic affairs.

The Alessandri government felt the repercussions of the Washington munitions inquiry which brought out some unsavory facts on the arms-buying of the Ibañez régime in Chile. President Alessandri has appointed a commission to study the charges that during the Ibañez régime some \$60,000,000 was allocated to armaments, that adequate accounts were never rendered, and that some of this money was used for other and more devious purposes. This Chilean commission will hold secret hearings in order to escape what Chilean authorities regarded as the "unseemly indiscretions" of the Washington inquiry.

President Alessandri's optimism over the economic recovery of Chile seems well grounded. Chile's exports in 1934 increased by 44 per cent over

1933, while her imports increased 33 per cent. The most notable increases in production and export were in gold, copper and nitrates. Gold production registered a gain in 1934 of 64 per cent over 1933; copper was up 58 per cent; nitrate exports doubled. There is evident desire in the Chilean press to belittle the part which military preparations in Japan and Europe play in speeding up the export of nitrates and copper, for cargoes of those war commodities are commonly shipped without definite destination. Ship masters get their orders after they are on the high seas.

Chilean internal finances reveal decided improvement. The 1934 balance sheet showed a balance of 68,000,000 pesos (about \$3,000,000). Unemployment is virtually ended.

A CHACO TRUCE

On June 9 the Chaco dispute seemed to be within sight of settlement, for early on that morning a twelve-day truce was agreed to. In the previous weeks the military odds had favored Bolivia. Slowly but surely Paraguay was driven from control on the Parapiti River, pushed back from Villa Montes and Santa Cruz, and Paraguayan chances of dealing a blow at the oil fields were reduced. Bolivia thus expelled the enemy from Bolivia proper, and Paraguay fought with her back to the jungle. The military situation at the end of May seemed an ideal stalemate for the interests of peace. Paraguay was indeed in possession of the disputed territory, but Bolivia had gone far toward proving that Paraguay could not successfully carry the battle beyond the lowlands.

The peace-makers had made excellent preliminary progress during May. Argentina, Chile, Peru, Brazil and the United States agreed to act as arbi-



The shaded region represents territory captured by Paraguay up to the truce of June 9.

trators, and on May 9 representatives of the arbitrating powers met in Buenos Aires to organize. They invited Uruguay to join and Uruguay accepted. The conference then, on May 11, sent word to the two warring nations that the arbitrators were ready and suggested that each send its delegation to Buenos Aires for conference. By May 25 their delegations were sitting with the arbitrators in Buenos Aires. Finally, the Bolivian and Paraguayan Foreign Ministers agreed to the truce mentioned above, subject to its ratification by their governments.

PRESIDENT LOPEZ OF COLOMBIA

President Alfonso Lopez of Colombia made substantial gains in the Congressional election on May 26. His party—the Liberals—won 105 of 118 seats in the lower house. Their control of the State Assemblies assures the election of a national Senate which will follow the President. The Opposition—the Conservative party—went on strike and urged its followers to boycott the election, charging whole-

sale intimidation by the Liberals. Whatever the facts may be, President Lopez and the Liberals are firmly in control.

In the campaign, ratification of the treaty with Peru, disposing of the Leticia controversy, was the chief bone of contention. When, in January, the Congress, heavily dominated by the Conservatives, threatened to withhold ratification of the protocol, Lopez abruptly dissolved that body and successfully made his appeal to the country.

President Lopez and the Liberals incline toward a mildly benevolent social policy. His labor code provides all workers with sick leaves, annual vacations and indemnity for discharge. His taxation policy bears down upon those whose incomes fall in the higher brackets, but the Colombian Supreme Court gave evidence, in a decision handed down on April 12, of an inclination to go in the opposite direction.

Economically Colombia appears to be on the mend. President Lopez is pushing reciprocal trade agreements with Japan and the United States. In the case of Japan, there is a tendency to demand that the Japanese buy as much as they sell. Colombia has a sufficient diversity of production to make her trading position strong, for she can talk in terms of platinum, petroleum, coffee, rubber, tobacco and sugar.

In the case of the United States, Colombia's position is complicated by her default on the outstanding direct and guaranteed dollar debt. Colombia stopped paying dollars on this debt in June, 1933, under pressure of the extraordinary expenses growing out of the Leticia dispute, and issued scrip payments, thereby exciting some acrimonious discussion in American financial centres. It is argued with

some heat that Colombia shows a substantial balance of trade, amounting to over 6,000,000 pesos in 1934, and that her gold mines produced \$12,000,000 worth of gold last year. The Colombian Government seems not to have replied to this criticism.

In any international conversations between Washington and Bogota, Washington holds a strong hand for bargaining. The United States consumes 83 per cent of Colombian coffee, and coffee is a dangerous commodity with which to be caught. There is too much of it north and south of the Equator.

LABOR UNREST IN MEXICO

Strikes and economic recovery have appeared together in Mexico. There is virtually no unemployment. The action of Washington in lifting the price of silver has benefited Mexico, while the tidal wave of tourists has brought a species of prosperity to the capital and to the few cities and towns where tourists go. At the same time during April and May strikes of bitter seriousness broke out among the street car men, the paper makers and the telephone workers.

The Mexican labor situation is confused. Since the decline of the CROM (the Mexican Federation of Labor) from its high estate, labor has been torn between a great variety of organizations and various degrees of radicalism. The Mexican Constitution offers many weapons with which labor can win its just demands; these same facilities offer ways and means whereby labor obstructionists and racketeers can operate to their own profit and to the vast annoyance of honest business.

NATIONALISM IN PANAMA

Two laws recently adopted by the National Assembly of Panama have

struck fear into the hearts of alien business men. The first of these laws provides for the nationalization of retail business and limits foreign retailers to one shop for each 100 nationals resident in the Republic. The three larger cities are exempted from the application of this law. It will strike hard the host of Chinese and other shopkeepers in the smaller towns and villages.

The second law is designed to increase employment of Panama nationals and requires the employment of 75 per cent Panamanians in any concern. This law is being vigorously fought by the army of East Indian shopkeepers who have for years reaped a harvest from tourists.

CUBA PLANS ELECTIONS

Elections are a sore point in Cuba. They have been much talked about since that delirious Aug. 12, 1933, when President Machado escaped to British soil, but none has been held. The Mendieta government, which has postponed them from month to month, announced early in May that the government proposed elections for next December. The four right-wing parties, including the Liberals of ex-President Machado, agreed to participate. The revolutionary parties—the ABC, the Autenticos of Grau San Martin and Young Cuba were conspicuously silent. Their leaders had, for the most part, fled the country.

The discussion brought out the inevitable protest against participation by the associates of Machado, and it was made clear that none who shared his crimes and conspiracies would be permitted to take part in the coming election. The provision of adequate election machinery was also a live issue. There has been no Congress since Machado fled. There has been no Constitution. The Mendieta

government will therefore be forced to resurrect an old Constitution, probably that of 1901, and to build up an electoral code out of the plans drafted by General Crowder and others. The administration announced in May that by June the state of war would be lifted, and that the election campaign could begin in earnest. This appeared to close observers a bit optimistic.

In the meantime, Dr. Antonio Guiteras, the most dangerous foe of the Mendieta-Batista régime, has been eliminated. The most brilliant and feared member of the Grau Cabinet, he was responsible for the radical social legislation launched during that stormy period. Only twenty-nine at the time, he rallied around him a group of the most devoted and honest of Cuban youth. After the expulsion of Grau from the Presidency Guiteras broke with his former chief and organized a party of his own, Young Cuba. He was credited with complicity in the kidnapping of Eutimio Falla Bonet, member of a prominent Machadista family, for whose release a ransom of \$300,000 was paid. A detachment of the army cornered and shot Guiteras near Matanzas on May 8, just as he was preparing to escape to the United States. The government also captured twelve of his fellow-conspirators, including two women, and all are threatened with the firing squad.

PAN-AMERICAN COMMERCIAL CONFERENCE

The Pan-American Commercial Conference, projected at the seventh Pan-American Conference in Montevideo in December, 1933, convened in Buenos Aires on May 26, with all twenty-one republics represented. The sessions were formally launched by President Justo of Argentina and President Vargas of Brazil. The most significant note was the inaugural address of

Foreign Minister Carlos Saavedra Lamas of Argentina, more than a third of which was devoted to a eulogy of President Roosevelt, Secretary Cordell Hull and the "good-neighbor" policy of the United States. Coming as this did from the accredited spokesman for Argentina, it represented a radical change of front.

The agenda for the conference carefully barred discussion of tariff issues and limited the conversations to the mechanisms of trade. Considerable skepticism was expressed of any solid achievement, though there were obvious hopes that the conference would overcome minor obstacles to inter-American commerce.

TRADE WITH SOUTH AMERICA

Exporters in the United States have found the 1934 trade records exciting and hopeful, for South America is

again buying our wares. The ten republics of South America imported goods worth \$576,000,000 in 1933, and \$705,000,000 in 1934—an increase of 22½ per cent. The increase in imports from the United States was 41 2-3 per cent. After five years of losing ground this brings cheer to our exporters. The United States now takes first place in imports to South America, with 23 per cent of the total credited to her; Great Britain is in second place, with 18½ per cent.

The explanations of our improved trading position are various. South American business has markedly improved and purchasing power increased, with a consequent demand for foreign goods. The depreciation of the American dollar helped, while the increase in American purchases of South American raw materials served to create dollar exchange.

Exit MacDonald; Enter Baldwin

By RALPH THOMPSON

PROPHETS are not always wrong, and those who had for months been predicting that somehow or other Ramsay MacDonald would be pried out of the British Prime Ministership found on June 7 that their forecast had come true. As soon as Parliament adjourned for the Whitsuntide recess, Mr. MacDonald, pleading ill health, went to the King with his resignation and that of his Cabinet. King George could hardly have been surprised, but with all due formality he called upon Stanley Baldwin to reconstruct the government.

Mr. Baldwin hastened to comply and that same day announced his choice of Ministers, which for the most part

left the portfolios unchanged or merely reshuffled them. Lord Sankey, Sir John Gilmour and Sir Edward Hilton Young were dropped; Lord Zetland, Malcolm MacDonald (son of Ramsay MacDonald), Lord Eustace Percy, Ernest Brown and Anthony Eden (for whom a new post was created) were newcomers. The Postmaster General, George C. Tryon, is not a member of the Cabinet. The appearance of a coalition was maintained, with National Labor represented by three Ministers, the National Liberals by four. But in accordance with the huge Conservative majority in Parliament, fifteen Cabinet posts went to Conservatives.

Before this shake-up occurred, Par-

The New British Cabinet

STANLEY BALDWIN.....	<i>Prime Minister and First Lord of the Treasury</i>
RAMSAY MACDONALD.....	<i>Lord President of the Council</i>
SIR SAMUEL HOARE.....	<i>Foreign Secretary</i>
LORD LONDONDERRY.....	<i>Lord Privy Seal; Leader of the House of Lords</i>
LORD HALIFAX.....	<i>Secretary for War</i>
J. H. THOMAS.....	<i>Secretary for the Dominions</i>
NEVILLE CHAMBERLAIN.....	<i>Chancellor of the Exchequer</i>
LORD HAILSHAM.....	<i>Lord High Chancellor</i>
SIR JOHN SIMON.....	<i>Home Secretary; Deputy Leader, House of Commons</i>
SIR PHILIP CUNLIFFE-LISTER.....	<i>Secretary for Air</i>
LORD ZETLAND.....	<i>Secretary for India</i>
SIR GODFREY COLLINS.....	<i>Secretary for Scotland</i>
MALCOLM MACDONALD.....	<i>Secretary for the Colonies</i>
WALTER RUNCIMAN.....	<i>President of the Board of Trade</i>
SIR BOLTON EYRES-MONSELL.....	<i>First Lord of the Admiralty</i>
ANTHONY EDEN.....	<i>Minister for League of Nations Affairs</i>
LORD EUSTACE PERCY.....	<i>Minister Without Portfolio</i>
WALTER ELLIOTT.....	<i>Minister of Agriculture</i>
OLIVER STANLEY.....	<i>President of the Board of Education</i>
SIR KINGSLEY WOOD.....	<i>Minister of Health</i>
ERNEST BROWN.....	<i>Minister of Labor</i>
W. G. ORMSBY-GORE.....	<i>First Commissioner of Works</i>

liament had carried on its business amid the distractions of the continuing Jubilee celebrations. There were so-called surprise visits of the King and Queen to even the poorest sections of London, royal addresses on a variety of occasions, a magnificent ceremony in Westminster Hall with Lords and Commons alike in attendance. Surely, few more astounding evidences of national enthusiasm have even been given. So moved was the staid London *Times* that it declared editorially that one epoch had ended and another had begun, that "pre-Jubilee" would henceforth be used to refer to the days and years before May 6, 1935.

The chief monument to Parliament's diligence was the passage by the Commons on June 5, after more than three months of intermittent debate, of the Government of India Bill. All

the main features of the measure as introduced managed to survive despite the assaults of Laborites and die-hard Conservatives. Modifications and improvements in detail included the reservation for women of at least six seats in the Council of State, a stronger assurance for retired government employes that their pensions would be paid, and a specific explanation of the franchise base in the Indian Provinces, which originally was to be determined by an Order in Council. The House of Lords, it was expected, would dispose of the bill without delay, and by August it should become law.

Of domestic measures, perhaps the most important was the Housing Bill (see March CURRENT HISTORY, page 735), which passed the Commons on May 29. When the provisions of this bill are in full operation, it is hoped

that the worst aspects of overcrowding in the urban centres will disappear. The new measure, together with slum clearance acts already on the statute book, appears to do as much as legislation can to establish a far-seeing and enlightened national housing policy. Of allied interest is the Restriction of Ribbon Development Bill, introduced into the House of Lords on May 7. In this measure the government asks among other things that the 43,000 miles of so-called classified roads shall be so controlled that except by permission of local highway authorities no new building may be erected within 220 feet of either side of the centre of the road nor no new side roads constructed. The aim in view, of course, is to prevent expensive new highways from becoming built-up streets and to preserve the natural beauty of the countryside.

BRITISH ARMS INQUIRY

The royal commission appointed to sit in judgment upon the privately owned arms industry of Great Britain held its first public sessions in May. At the opening meeting Viscount Cecil of Chelwood, representing the League of Nations Union, advocated government control of armaments. At the second meeting a delegate from the National Peace Council told the commission that Sir John Gilmour, Home Secretary, and Sir Philip Cunliffe-Lister, Colonial Secretary, were both stockholders in the great British firm of Vickers, and that proprietors of certain newspapers which had pressed for an increased British air force were stockholders in local aviation companies. At the third meeting a spokesman of the Communist Party of Great Britain charged that Neville Chamberlain, Chancellor of the Exchequer; Prince Arthur of Connaught, cousin of King George, and the Bishop of

St. Andrews were stockholders in armament firms. He stated also, much to the consternation of those present, that Sir John Eldon Bankes, chairman of the investigating commission itself, owned hundreds of shares in Imperial Chemical Industries, Ltd.

IN THE IRISH FREE STATE

The Irish Free State Government, and the citizens of Dublin as well, were greatly relieved when the eleven-week transport strike in the capital came to an end on May 17. Those directly involved were no doubt also relieved, for almost constant negotiations had worn out both employers and employees. When the Ministry of Industry and Commerce finally proposed a settlement embodying wage increases ranging from about 50 cents to \$5 a week, the trolley and omnibus workers accepted by a vote of 2,112 to 605. The new agreement is terminable upon three months' notice by either party, but not until at least eighteen months have elapsed. Hence Dubliners are confident that for the next two years or so they will be spared uncomfortable hiking through the city streets.

With this problem settled, President de Valera could turn to others of perhaps more vital nature. Members of the Irish Republican Army recently rounded up for membership in an "illegal association" had been brought before the military tribunal in batches and speedily sentenced to varying terms in jail. Something of a setback for the government was experienced on May 27 when General Eoin O'Duffy, former Blue Shirt leader, received an award of nearly \$1,000 as damages and costs for arrest and false imprisonment in 1933. But on the whole, Mr. de Valera has emerged victorious over those elements in the country that are opposed to him and to the

Fianna Fail method of doing things.

The fourth Fianna Fail budget, introduced in the Dail on May 15 by Sean MacEntee, Minister of Finance, gave the Opposition grounds for further grumbling. A "rich man's budget" they called it, pointing with dismay to increased taxes on tea, sugar, tobacco, foreign wheat and inexpensive cinema tickets. But, Mr. MacEntee pointed out, larger expenditures for social services and in the form of bounties and subsidies to resist the shock of the economic war with Great Britain made greater revenue essential.

AUSTRALIAN STATE AFFAIRS

Western Australia's drive for independence (see June CURRENT HISTORY, page 309) was all but halted on May 24 when the Joint Select Committee of the Imperial Parliament announced that the question of secession from the Australian Commonwealth was not one to be settled by the British Government. If an Australian State wished to secede, said the committee in effect, it will have to obtain permission from Canberra, for London no longer has the power to interfere in the affairs of any Dominion unless asked to do so by the Dominion. Since an appeal to the Commonwealth Parliament had already been turned down, Western Australians found little consolation in this decision, even though the Joint Committee's statement was clearly concerned only with the constitutional aspects of the appeal, not with the justice of the grievances.

Parliamentary elections recently held in three Australian States produced no startling overturns, although in one case post-election political manipulations brought about the downfall of a Ministry. The polling in Victoria on March 2 gave the Labor Opposition only one of the sev-

enteen seats lost at the previous election and left in office the United Australia-Country coalition headed by Sir Stanley Argyle. But a few weeks later the Country party decided to withdraw its support, and on March 28 the government was forced to resign. On April 2 A. A. Dunstan, Country leader, formed a Cabinet of his own, leaving the United Australia party out in the cold and bringing in as Minister for Agriculture E. J. Hogan, former Labor Premier.

Elections in Queensland and New South Wales were held on May 11. In the former State the moderate Labor government of Premier Forgan Smith won an unmistakable vote of confidence, raising its representation in the House of Assembly from 33 to 45. In New South Wales, Premier Stevens's United Australia government, supported by the Country party, was confirmed in power with a slightly decreased majority. Former Premier J. T. Lang, leader of the State Labor party, tried in vain to regain the strength he lost in 1932.

SOUTH AFRICA'S JUBILEE

South Africa on May 31 celebrated the twenty-fifth anniversary of its birth as a united nation. Nearly 2,000,000 persons of European stock now live in the Union, which the modern motor ship has brought within sixteen days of England. In many ways their problems have become the most interesting of those arising within the Dominions of the British Crown. Certainly, South Africa's progress has been accomplished in the face of tremendous racial obstacles—black vs. white, Boer vs. Briton—and quite as certainly even greater progress is yet to be achieved. Particular aspects of immediate problems are discussed on pages 372-380 of this magazine. As the London *Times* ob-

served in a thirty-page South Africa Number published on the day of celebration, the formation of the Union twenty-five years ago was a notable step—"the mistakes made under the Union are small compared to the great mistake which would have been made if the Union had been rejected."

TRAGEDY IN INDIA

While the larger questions of Indian government were being debated in London by the British Parliament, India itself underwent a series of tragedies both man-made and natural. An appalling loss of life, estimated at well over 50,000, occurred on May 31 when the district about Quetta, Baluchistan, was struck by a heavy earthquake. Several hundred miles to the northeast, at places within the perennially troubled Northwest Frontier region, armed bands of Indian border tribesmen continued their intermittent warfare against rival natives or British Indian authorities. Early in May Colonel C. E. T. Erskine, inspecting officer of the Frontier Corps, took charge of the Malakand Political

Agency in an attempt to end the agitation of the most persistent of the troublemakers, the Fakir of Alingar. But British force and diplomacy combined have not yet solved the problem.

Within the more civilized parts of India a series of bloody encounters have recently upset the peace. Terrorist crime in Bengal suffered a checkmate on May 1 when, after a trial lasting nearly two years, a special tribunal sitting at Calcutta convicted thirty-one Hindus of conspiring to war against the King. Only quick action on the part of Punjab police, it is said, prevented terrorist outrages in Lahore on Jubilee Day (May 6). The fatal encounter of British troops and a Moslem mob at Karachi on March 19, when nearly fifty persons were killed, was followed on April 14 by a Hindu-Moslem riot at Firozabad, United Provinces, which resulted in fourteen deaths. On June 5 police and Moslems clashed in Calcutta, with the result that more than forty persons were wounded by gunshot and bricks.

The Battle of the Franc

By FRANCIS BROWN

FRANCE at the beginning of June was once more in the midst of an acute political and financial crisis in which the question of devaluing the franc was a highly important factor. This new crisis was but a further phase of the economic depression which has been growing steadily more severe. The fall of governments is no novelty to Frenchmen—nor are the consequences necessarily serious—and financial difficulties in the past have

also been surmounted. But when this latest French crisis was considered in the light of the past two years' events, it appeared to be much more serious than usual.

The world depression hit France later than other countries, but that did not mitigate its effect. Business decline and diminishing profits have caused failures and increased unemployment, even as elsewhere, and there has been great distress among

French farmers. Out of this situation has come the social unrest which has periodically bubbled to the surface. The riots of February, 1934, gave striking evidence of the popular temper and there have been other though less serious outbreaks in the past year.

At the same time the French political system has come in for a good deal of criticism based largely on the weakness of the executive branch. While the supremacy of the Chamber of Deputies has undoubtedly made for political instability and has prevented the enactment of necessary legislation, the demand for constitutional reform has come from those so closely identified with big business and financial interests that most liberals have opposed the idea. Perhaps it is inevitable that any attempt today to strengthen the hands of the executive at the expense of the legislative branch of a government would be called a move toward fascism. Certainly the Left of the French Chamber sees a Fascist gesture in every move to enlarge the Ministry's authority.

One result of the Cabinet's limited powers has been its inability to balance the national budget. While there are other factors involved, the Chamber's steady resistance to reduction in certain public expenditures has led to a piling up of deficits which since 1930 have reached a total of 27,617,000,000 francs or about \$1,891,764,500. Each new government has promised to balance the budget; each has failed. For the present fiscal year the deficit is estimated at about 6,000,000,000 francs, not including something like 5,000,000,000 francs for extraordinary expenditures. It was the public fear engendered by this staggering deficit which led to the flight of capital during May.

Political considerations necessarily complicated the budget troubles. Hard times have brought about a fall in revenue. Yet the government has been expanding its expenditures for national defense and the Chamber has refused to approve cuts in civil service salaries, pensions and so on. Conversion of the public debt would aid the budget situation, but so widely are French rentes held among the people that conversion would have disastrous political consequences. Higher taxes seem neither wise nor feasible. About the only remedy the government could suggest was to clothe it with dictatorial power for the purpose of slashing expenses by decree.

Such was the general situation when on May 5 and 12 elections were held in the 38,000 communes of France. While these municipal elections are waged on local issues, national questions are not wholly excluded and the results must be taken as showing the trend of public opinion. From this standpoint these elections were most important for gains were registered by the liberals and radicals. Particularly significant was the success of the Socialist-Communist common front whose campaign was waged with the slogan, "Down With Fascism." While these parties remained a small minority, their success appeared to indicate that the public was tired of conservatism and was not supporting Premier Flandin's attempts to build a strong Centre party in the Chamber of Deputies.

Even before the elections were completed, rumors were spreading that a financial crisis was at hand. These renewed the agitation for and against devaluation of the franc. Men like Paul Reynaud, a former Finance Minister, contended that only devaluation

could answer the economic problems posed by the depression. The government, on the other hand, reiterated its determination to defend the franc at all costs and to balance the budget, even if that should require seeking from Parliament a grant of extraordinary powers. Business associations approved this stand and efforts were made to rally public opinion behind the Flandin Ministry.

No matter what was said by Cabinet Ministers, it was impossible to conceal the serious state of the French economy. Bankruptcies were breaking all records; the tourist and export trades were at a low point; unemployment showed only seasonal improvement. The international financial situation added to these worries, for the gold bloc has been very shaky since Belgium devalued the belga in March. Finally, the actual condition of the French budget was not revealed, giving rise to fears that the admittedly large deficit might in reality be still greater.

Thus it was that early in May a flight of capital began. Some of the financial disturbance was undoubtedly due to speculators—that was the word given out by the government—but much of the outward flow of gold could be attributed to nothing except a breakdown in national confidence. By May 17, when the Bank of France was known to be shipping gold to the United States, England and Belgium, the Bourse began to show signs of panic. Price for equities boomed and government bonds fell.

The situation now became acute. At a conference on May 22 between Premier Flandin, Finance Minister Louis Germain-Martin and Jean Tannery, the Governor of the Bank of France, it was agreed that when Parliament reassembled on May 28 it should be asked to grant the Cabinet a free

hand. In other words, the Cabinet would seek full powers to do whatever it thought necessary to meet the spreading crisis. It was also understood that Parliament would be prorogued until Autumn. Such a request obviously risked the answer of an overthrow of the Cabinet.

The next day the Bank of France adopted the orthodox measure for protecting the franc by advancing the discount rate from $2\frac{1}{2}$ to 3 per cent. This action coincided with the announcement that the bank had lost 521,000,000 francs in gold during the week ended May 17, compared with a loss of 343,000,000 francs in the week before. Unfortunately, raising the discount rate only tended to confirm the worst fears of Frenchmen, and the flight of capital increased in volume and rapidity. On May 25 the rate was raised to 4 per cent, and then on May 28 to 6 per cent. Hoarding as well as the export of capital had by this latter date put the daily loss to the Bank of France at 1,000,000,000 francs. The bank, nevertheless, believed that if the attack could be beaten off the franc would be in no danger, since the gold coverage remained close to 80 per cent.

Parliament convened on May 28 in an atmosphere of great excitement. Hostility to the government quickly became apparent, and when the Finance Minister explained to the Chamber the government's demand for special powers he received a cold reception. The following day the Finance Committee rejected the Cabinet's request by a vote of 25 to 15, and the position of the Flandin Ministry was seen to be precarious. But it made one more stand.

Premier Flandin, who, early in May, broke his arm in an automobile accident, came before the Chamber on May 30 to appeal for confidence and

support. Under great strain, and with his broken arm resting in a specially prepared cradle, he spoke for more than an hour. When it was all over he fainted in a corridor outside the hall. In the course of his speech M. Flandin announced that his Finance Minister had resigned, an admission which did nothing to strengthen the government's position, since M. Germain-Martin had been attacked in the Chamber for incompetence. The Premier's dramatic appearance before the Deputies and his eloquent appeal could not save his government, which fell in the early hours of May 31 after a crushing vote of no confidence of 353 to 202.

The Flandin Ministry had lost popularity steadily since it came to power in November, 1934. Though in the beginning the Premier had promised a government of action, he had accomplished little. Resentment grew, and when the Bank of France raised its discount rate the enemies of the Cabinet pointed out that the much-talked-of easy-money policies advocated by M. Flandin had been overturned. That left the Cabinet little to stand upon.

There is, moreover, no doubt that many Deputies sincerely believed that a grant of full powers would be the first move along the road to fascism. They could not accept that, even if it meant a Cabinet crisis. Nor were they any more willing to accept it when Fernand Bouisson formed a new government late on May 31 and came before the Chamber with a request for the right to govern by decree. That request sufficed to upset the Bouisson Ministry on June 4 and to leave France again without a government.

The Bouisson Cabinet at first promised to be a strong one. Though the Premier was no great statesman, he had for ten years been President of the Chamber and as a non-partisan

seemed to be just the sort of man to ride the storm. With him were Pierre Laval as Foreign Minister and Joseph Caillaux as Minister of Finance. Caillaux has a reputation for knowing more about finance than any one else in France, and his position in the Radical Socialist party helped to strengthen a government whose complexion was far more Left than Right.

The speedy formation of the Bouisson government restored confidence in Paris. While actually nothing had happened, men felt more secure. The "battle of the franc," it was said, had been won. But this respite was indeed short. As soon as the Bouisson Ministry tumbled, the flight of capital was on again. When the weekly statement of the Bank of France was published on June 6, it was shown that the bank's gold holdings had fallen 10,-855,000,000 francs in nine weeks and that the gold coverage had dropped to 73.35 per cent.

At the moment, however, the future looked more hopeful, since on June 7 Pierre Laval announced that he had succeeded in forming a government. Retaining for himself the portfolio of Foreign Affairs, he gave the Finance Ministry to Marcel Régnier, who was Minister of Interior in the Flandin Cabinet. The other members of the Ministry had been present in most recent governments, and actually there was little more than a shuffling of portfolios. M. Flandin in this instance joined company with Edouard Herriot and Louis Marin as a Minister of State.

M. Laval in the early hours of June 8 received a vote of confidence in the Chamber when his request for extraordinary powers was approved by 324 votes to 160. The Premier promised that cuts in expenditure would not be unjust and that he would consult with Parliamentary committees

during the recess of Parliament. At the same time that he denied any intention of abruptly dissolving the Chamber he limited his request for extraordinary powers to measures for defending the franc and curbing speculation.

Members of the French Parliament were unenthusiastic about the Laval government, the Ministerial declaration having been received in stony silence. The Left, particularly the Socialists, was definitely hostile and during the debate which followed M. Laval's appeal for support, spokesmen for the Left assailed the Bank of France, through which, it was declared, 200 families ruled France. This brought into the open the issue which underlay much of the political crisis—was the Bank of France to continue in its present position of power, able to dictate to the government and in a financial crisis to hold the whip-hand? That question will certainly animate French political life for a long while to come.

After approving the Laval Cabinet Parliament recessed until June 18. In the meantime the government pushed ahead with its plans for halting the flight of capital and for placing government finances in order.

THE NORMANDIE

In the midst of all these troubles the French people had one pleasant distraction—the triumphal first voyage of the great 79,000-ton *Normandie*. When this largest ship afloat arrived in New York on June 3, she carried the blue pennant of speed supremacy on her main truck, for the huge liner crossed the Atlantic in 4 days 11 hours 42 minutes. The average speed of 29.64 knots for 3,192 miles exceeded that of the *Rex*, whose best average is 28.92 knots for 3,181 miles.

BELGIAN AFFAIRS

Belgium's loudly heralded recovery program has been slow in getting under way. While much may have been happening behind the scenes, there has been little on public display to indicate that after two months in office the Van Zeeland Ministry has accomplished much.

A general conversion of government bonds involving a total sum of 25,000,000,000 francs was carried out in May. All bonds bearing above 4 per cent interest were called for conversion to 4 per cent, and to make the operation more attractive holders were offered 10,500 francs in new bonds for every 10,000 francs in old. The Minister of Finance announced on May 17 that bonds valued at 24,910,000,000 francs had been presented for conversion. This operation will save the Treasury approximately 620,000,000 francs in 1935 and 1936.

Belgian business since the advent of the Van Zeeland government has shown some improvement. Devaluation of the belga stimulated the textile and leather industries. Tax returns increased during April, and the government, in order to relieve industry, decreed a tax reduction which will lower the Treasury's income by something like 250,000,000 francs. Since employment has been rising, the relief drain on public funds is not so great as a few months ago, although the government's deficit is still expected to reach 600,000,000 francs.

The coal industry began to revive as soon as devaluation lessened foreign competition, but labor troubles quickly appeared in the form of strikes against "famine wages." On May 23 it was estimated that 15,000 of the 36,000 miners in the Charleroi district were out. The strike was ended on May 27 when the miners agreed to accept a 2½ per cent pay increase.

Germany Builds Her New Army

By SIDNEY B. FAY

GERMANY'S new army law, as decreed on May 21, provides for one year's active training of all able-bodied non-Jewish Germans between the ages of 18 and 45, with active military service beginning generally at 20. The class of 1914 (those born in 1914) will be drafted into the army for its one-year active training on Nov. 11, 1935. During this year of active service the soldier will be nothing but a soldier, owing loyalty only to the military forces and their commanders and to no other organization, not even to the National Socialist party. The trained soldier then passes into the Reserve until he is 35; from 36 to 45 he is a member of the Landwehr. During all this time the army authorities retain some supervision over the ex-service men and in case of war could call them back to the fighting forces. So far the new system is not unlike that which existed before 1914, but there are certain important differences. From 1813 to 1892 the period of active training for conscripts was three years, and from 1892 to 1919 two years. The present shorter term of one year, however, follows compulsory service in the labor camps.

Entrance to industrial employment, government service or the universities is practically conditional upon showing a certificate of work in a labor camp. The Nazis emphasize several desirable features of these camps: They permit men of all classes to rub elbows on an absolutely equal footing and so tend to strengthen the solidar-

ity of the whole German people; they provide physical training by their outdoor work in road-making, swamp draining, forest clearing, and so forth. Moreover, lectures and study periods inculcate among the members of the corps the National Socialist view of life. But the labor camps will also afford opportunity for some preliminary military training in the way of marching, discipline and obedient, co-operative action. The period of service in the labor camps has heretofore usually been six months; for the immediate present it will remain six months, owing to limited facilities, but it is planned to extend it to a full year. The class of 1915 will accordingly be drafted for its labor service on Nov. 1, 1935, and will pass into the army for its year of active military service in 1936.

Social equality and the same treatment for everybody will further distinguish the new from the pre-war army. In the old army there were certain privileges for men of education and wealth, such as serving only one year. Still another difference is the exclusion of Jews from the new army. Exceptions may be made by the Minister of Interior in conjunction with the Minister of War, but in no case may a non-Aryan be an officer, and the marriage of soldiers or officers with non-Aryans is specifically forbidden. In time of war, however, Jews may be required to serve.

According to other general regulations, the trained soldier who has passed into the Reserve or the Land-

wehr is subject to the supervision of the Minister of War and to such regulations as he may make. This presumably means a possible brief period of exercises, perhaps two or three weeks, during the period in the Reserve. Trained soldiers who have passed their forty-fifth year form the Landsturm. Men who for one reason or another have been excused from their one year of active training form the Ersatzreserve; they may be used by the Minister of War for replacing soldiers liable for service.

It is difficult to see where this elaborate organization leaves room for the Storm Troops or other semi-military organizations that, until recently, have played an important rôle in Germany. The new army has swallowed them all and brought about a new military coordination in the totalitarian State.

Under Hitler, as the supreme commander-in-chief of the army, is the Minister of War, General von Blomberg, who exercises the high command. His title is now changed to War Minister in accordance with usage in other States. Under General von Blomberg's centralized authority General Werner von Fritsch commands the army, Admiral Erich Raeder the navy and General Goering the Military Air Corps, although the last-named remains Air Minister with independent control of civil aviation.

The first completed section of the system of great motor highways that are to bind Germany together and that constitute the kernel of the government's labor-creation program was opened on May 19 in the presence of Reichsfuehrer Hitler. It runs fourteen miles from Frankfurt to Darmstadt and constitutes part of the projected Hamburg-Frankfurt-Basle highway. It is planned to complete 200 of the projected 4,000 miles in various parts of

Germany this year. The program calls for six years of work, in which 120,000 men will be directly employed, involving an expenditure of \$750,000,000.

RACIAL AND RELIGIOUS TROUBLES

A new wave of anti-Semitic violence swept over Munich in the third week of May. The walls of the chief synagogue were chalked with swastikas and the windows of several Jewish stores were broken. Several Jewish doctors had their name-plates torn from their house fronts. An anti-Jewish boycott by Nazi pickets caused much disorder and some fighting when Munich citizens attempted to end it.

Dr. Julius Streicher, the notorious anti-Semitic leader, received a virtual rebuke, however, from the Nazi official press. At a conference at Nuremberg, largely attended by "nature healers," he had declared that the day of medicine in the sense in which Dr. Robert Koch, the discoverer of the tuberculosis bacillus, understood it was a thing of the past. He referred to Koch and his pre-war colleagues in German medical faculties as disciples of "Jewish healing" because they employed Jewish assistants in the laboratories. But the *Voelkischer Beobachter* of May 26 printed a long eulogy of Koch as "a friend of humanity," while Dr. Frick, the Minister of Interior, announced that the government would this year re-establish the Koch Endowment for Tubercular Research, which was destroyed by the inflation.

More than a score of Protestant pastors were still in concentration camps during May because of their refusal to sign a statement confessing that their imprisonment resulted from illegal activities and to promise not to read publicly further protests against the rule of Reich Bishop Mueller.

Early in the month Dr. Frick was said to have finally received permission from Chancellor Hitler to halt the wholesale arrests of Protestant opposition pastors.

Pope Pius XI, addressing a delegation of German pilgrims on May 6, protested against the brutal treatment alleged to have been meted out by Nazis to another delegation of German pilgrims as they returned to Germany after spending Easter in Rome. His remarks may have contributed to an anti-Catholic outbreak in Munich by Nazi ruffians a few days later and also to the severe sentences imposed on several German nuns for smuggling funds out of Germany in contravention of the Reich laws against taking or sending money out of the country.

IMPROVEMENT IN AUSTRIA

Business conditions in Austria improved steadily during the first quarter of 1935. Raw material imports increased and several industrial plants that had been closed resumed operations. Among other favorable factors were a reduction in foreign indebtedness and an increase in savings deposits. On May 10 the League of Nations Financial Committee authorized the Austrian Government to increase its domestic loan from 100,000,000 to 175,000,000 schillings (the schilling was quoted at 18.83 cents). Of this sum 60,000,000 schillings will be used for public works and the remainder as a conversion fund to consolidate treasury bills.

The recent Austrian census showed a population of 6,762,687—an increase of 227,324 since the last census of 1923. The birth rate in Vienna and the larger cities has shown a decrease in recent years, but the fecundity of the rural districts more than made up for the losses in the urban centres.

Though the population in Vienna has fallen to 1,860,000 from the pre-war figure of 2,000,000, the city still ranks as the fifth largest in Europe, being surpassed only by London, Paris, Berlin and Moscow.

Prince Ernst von Starhemberg, Austrian Vice Chancellor and head of the Heimwehr, or home defense organization, announced at Salzburg on May 26 that all private armies would be drastically reduced by a new rule eliminating from them all persons who had joined since Feb. 1, 1934. His own Heimwehr is the only volunteer armed organization that had a large membership before that date.

Strict enforcement of the new order would mean virtual elimination of Chancellor Kurt Schuschnigg's Catholic Storm Troops, which recruited most of their members during and after the civil war of February, 1934, and of the Catholic Workers Freiheitsbund, which grew rapidly after the putsch in the following July. The Prince stated also that new members of the volunteer armies who had distinguished themselves in fighting for the government might be retained, thus opening the way for a possible compromise. Some observers believed that Starhemberg's purpose was to make himself dictator through the unrivaled power he would enjoy as the head of the Heimwehr, but speaking at a huge rally in Vienna on June 2 he took pains to declare: "We pledge our steadfast loyalty to Chancellor Schuschnigg. He can rely on our loyal obedience."

The outstanding success of German nationalists, led by Conrad Henlein, in the Czechoslovak elections caused deep concern in Austrian Government circles and excited the Hitlerites. German nationalism appears to be growing stronger in Austria. Many Socialists are said to be passing over to the

Nazi camp, while villagers, clericals, laborers and even State-organized workers are chafing restlessly against the Fascist Heimwehr, which is closely associated with Italy. This shift of sentiment makes it perilous for the government to risk the plebiscite which the Nazis want, for the Nazis might indeed show that they and not the Schuschnigg government have the support of the majority of Austrians.

A SWISS REFERENDUM

The Swiss people on June 2 decisively rejected by a vote of 566,242 to 424,878 a "crisis initiative" which was intended to meet the depression with governmental borrowing, spending and centralization. The proposed measure, prepared by Socialist, labor and agricultural groups, sought to amend the Swiss Constitution so that the government might assure work to the unemployed, increase agricultural prices, maintain salary levels and control trusts and the movement

of capital. It would have involved a devaluation of the Swiss franc and the abolition of the present gold standard. In anticipation of the vote there had been much speculation in the franc.

Since the referendum involved the amending of the Constitution, adoption was also required by a majority of the twenty-two Cantons. Only four favored it—Berne, Basle, Soleure and Schaffhausen. The polling was exceptionally heavy, 83 per cent of the registered electorate voting. The vote showed how stanchly the Swiss are attached to gold and stable money and it also gave added courage to those in the gold bloc countries who are trying to prevent devaluation.

Switzerland and Germany agreed early in May to submit to arbitration their dispute growing out of the alleged Nazi kidnapping on Swiss soil of the German journalist, Berthold Jakob.

Spain Swings to the Right

By WILLIAM E. LINGELBACH

ON May 6 the Spanish Cabinet of Premier Lerroux was reformed on a basis more nearly in accord with the party strength in the Cortes. Only three of the Ministers are of the Premier's own Radical party. Catholic Popular Action has five, two less than their leader, Gil Robles, had at first demanded. Gil Robles himself has the important post of Minister of War. Thus for the first time this young leader appears in the Cabinet. His presence, along with that of other strong representatives of the Right, plainly indicates a further swing in

the direction of conservatism in Spain.

Education is under Señor Dualde of the Democratic party, while the troublesome post of the Minister of Agriculture is taken over by Señor Valios of the Agrarian group. On the whole, it is a well-balanced though conservative Ministry, and much more nearly in harmony with the representation in the Cortes than any government since the last elections. On the other hand, it is somewhat anomalous for a veteran Republican of Premier Lerroux's type to head a Ministry in

which he cannot command a majority.

According to the legislative program presented by the Prime Minister to the Cortes on May 8, and endorsed by a vote of confidence, the problems before the government which will receive its immediate attention relate to unemployment, national defense, agricultural reform, the press and municipal electoral laws. The municipal elections, which should have been held in May, are now scheduled for the Autumn. They will be of more than usual importance because they will test the strength of the Socialist Republicans, who captured most of the municipal positions four years ago. More difficult to handle will be questions of constitutional revision. Here the Right is determined to amend certain articles in the interest of the Catholic Church.

Spain's trade dispute with France, which resulted late in April in the denunciation of the commercial treaty made a year before, continued during May. In retaliation for the heavy duties levied on Spanish fruits and vegetables, the government on May 7 reduced the quota on French passenger automobiles to 10 per cent of the figure for the same period last year.

Indignation at the French attitude also in part underlies the demand for a strong foreign policy, which became very insistent in the sessions of the Cortes during the latter half of the month. In announcing the provisions for the appointment of a military commission, Señor Lerroux stated that his government would enact military measures to insure respect for Spanish national interests and that plans were being formulated to increase and modernize the military establishments. Nearly 200,000,000 pesetas will be allocated to aviation, 500,000,000 for the fortification of the Balearic Islands.

In opening the debate, Count Romanones, several times Prime Minister and Foreign Minister under the monarchy, made a vigorous attack on the weakness of the foreign policy of the Republic, pointing out that if Spain wished to remain neutral in wartime the army and navy would have to be strengthened. The mere wish to remain neutral, he said, was not sufficient.

Count Romanones also raised the embarrassing question of the international government of Tangiers, asking whether the Cartagena agreement signed by Great Britain, France and Spain in 1907, which guarantees the status quo in the Mediterranean, was still in force. As is well known, the Statute of Tangiers, agreed to in 1923 by Great Britain, France and Spain, and endorsed by Italy in 1928, made a very important change in the status quo. It set up an internationalized area and provided the basis for the government of Tangiers for twelve years. If revision was not demanded by any of the four powers before December, 1935, the arrangement would be automatically renewed for another twelve years. Since Spain has always looked upon the statute as unfair to her, Count Romanones demanded that it be denounced.

On May 16 the Tribunal of Constitutional Guarantees absolved the former dictator, General Berenguer, and several other high army officers, from criminal responsibilities for the execution in 1930 of two young officers who led the revolt of the Jaca garrison. The action of the court is in accord with the spirit of moderation which appeared when the government authorized the police authorities of Madrid, Seville, Huelva and other cities to permit the reopening of Socialist headquarters which had been closed since the October upris-

ing. On June 5, however, the tribunal sentenced Luis Companys, former President of the Catalan Generalitat, together with six former members of the Catalan Executive Council, to thirty years imprisonment each for complicity in the same rebellion.

ITALY UNDER ARMS

Into the routine of Italian life this Spring have been injected the hurry and drive of war-time activities. During May mobilization was again speeded up. Thousands of recruits from all parts of the country reported for service; company after company marched to the seaports to embark for Africa, while the newspapers bristled with war news and chauvinistic articles. At the same time, financial difficulties multiplied ominously.

Early in May details were published of the public works program projected by General de Bono, High Commissioner of Eritrea. It provides for the building of large reservoirs, aqueducts and modern roadways linking the agricultural areas of the interior with the lowlands and the sea. At Massowä, a town which Italian engineers claim will become the most important port of the Red Sea, a modern system of water supply with salt-water distillation and ice-making plants is to be installed, while extensive harbor improvements are to provide facilities for the landing of troops and the proper handling of large quantities of supplies needed by an expeditionary force. If some of these improvements had been started earlier much suffering from the intense torrid climate, the lack of an adequate water supply and fresh food, as well as the delay in the disembarkation of the army, could have been avoided.

The costs of the African venture are embarrassing the national credit, already strained to the breaking point.

According to official statistics the costs of the expedition by the end of April approximated 620,000,000 lire (the lira is currently 8.22 cents). The budget for the next fiscal year, presented to the Chamber of Deputies on May 18, forecast a deficit of 1,657,000,000 lire, without including outlays for the African expedition, which are to be covered by an emergency budget. The statement also revealed a heavy increase in the national debt, which at the beginning of the present fiscal year stood at 128,000,000,000 lire, 32,000,000,000 lire over the figure of June 30, 1922. The Finance Minister pointed out that a portion of this debt had been incurred through expenditures for public works, railway construction and the like, all of which are of a permanent nature, and should therefore not be charged against the current account. As a partial effort to cover the deficit for the present fiscal year a new bond issue was announced in the *Official Gazette* on May 20.

Italy's trade balance is continuing to be increasingly unfavorable. Statistics for the first quarter published on May 19 show imports valued at 1,914,500,000 lire and exports at 1,161,500,000 lire, leaving an adverse balance of 753,000,000 lire. The figure for the same period in 1934 was 733,600,000 lire.

The international credit situation is far from encouraging. Heavy pressure on the gold reserves persisted during May. The private holdings of Italian citizens in foreign securities, commandeered some time ago in the campaign to support the lira, are being conscripted, the owners accepting their equivalent in lire at the current exchange rate. The foreign credit thus obtained is used to meet the adverse balance in the nation's foreign payments, but foreign holdings have not been large enough to afford more than

temporary relief. The drastic import restrictions of April and May, together with the new commercial treaties, mark the efforts to buttress Italy's international credit situation.

Professor Felice Guarneri has been appointed superintendent of foreign exchange to control the distribution of foreign currency for foreign trade purposes and to coordinate the different governmental agencies concerned with exports and imports. He has had wide experience in Italian commercial methods and has been director general of the economic service of the syndicates of at least four industries. His powers are extensive, and since he is responsible only to Mussolini, he becomes a virtual dictator in his particular sphere, with powers to regulate and coordinate the whole foreign trade division.

Unhappily, prices continue to rise despite Mussolini's program inaugurated a little over a year ago to reduce

the cost of living as a compensation for the 10 per cent cut in wages. Prices have risen from 15 to 20 per cent, particularly in foodstuffs, and the government is worried over possible discontent arising from high prices and rather stationary wages, rents and interest. Achille Starache, the national secretary of the Fascist party, has issued a number of stern warnings against all profiteering.

In May it was announced that a group of Venetian financiers, headed by Count Volpi, had purchased a controlling interest in the Navigazione Libera Triestina. Since Count Volpi and his friends already control the Adriatic Navigation Company as well as the Venetian Steam and Navigation Company, it looks like a further consolidation of shipping and colonial interest in the hands of men close to the government. Count Volpi was Mussolini's Finance Minister from 1925 to 1929.

The Passing of Pilsudski

By FREDERIC A. OGG

AFTER a lingering illness Marshal Josef Pilsudski, virtual dictator of Poland, died unexpectedly at the age of 67 at his residence, the Belvedere Palace in Warsaw, on May 12, the ninth anniversary of his coup in 1926, when he seized power after bloody street fighting in the capital.

The funeral ceremonies lasted a full week and were marked by most impressive pageantry. The body, after lying in state in the great Warsaw Cathedral, where it was viewed by an endless procession of war veterans, workmen's societies, Parliamentary groups, social organizations and peo-

ple of every description, was transported 200 miles past continuous lines of villagers to be buried in Cracow. There on May 18 it was placed in the crypt of Wawel Cathedral among Polish Kings of other days and in an edifice filled with memories of Poland's earlier glory. Appropriately enough, Cracow was the city in which the wartime Polish independence movement, with which Pilsudski had so much to do, was originally launched.

Astute, courageous, patriotic, honest, but irascible and sometimes unstable, Pilsudski was unquestionably

one of the outstanding figures on the European political stage. From first to last his life was colorful. Of Lithuanian origin, he was born in Zulov, Wilno, in 1867. He studied at the gymnasium of Wilno and the medical school of the University of Kharkov, from which he was expelled for taking part in a conspiracy of revolutionary students. Returning home, he was sentenced to five years' penal servitude in Siberia for alleged complicity in a plot to murder Czar Alexander III. Thereafter he was a hardened conspirator and revolutionist, becoming one of the first ten leaders in Poland of the Polish Socialist party as well as founder and editor of a Socialist newspaper dedicated to the cause of Polish independence.

Pilsudski, imprisoned again in 1900, simulated insanity and got himself transferred to a military hospital in St. Petersburg, whence he escaped to Cracow, only to turn with increased fervor to revolutionary activities. Becoming convinced that "only the sword carries weight in the equilibrium of the destinies of nations," he set about organizing, although utterly devoid of military training or experience, a clandestine Polish Army composed of "gun clubs." In 1914 his sharpshooters, numbering hardly 10,000, were incorporated into the Austrian Army for use against the hated Russians. Falling gradually into disfavor with the Germans, he was arrested in July, 1917, and sent to the fortress of Magdeburg, where he remained until the war ended.

From prison Pilsudski stepped almost at once into the position of Chief of State and Commander-in-Chief of the restored Polish Republic. After a Constitution was framed and a parliamentary régime established which left only nominal power to the President, he retired ostensibly to private life,

although as Chief of the General Staff and in other ways he kept his grip on the political situation until eventually in 1926 a bold coup, executed at a time of crisis, brought him complete control, first of the capital and presently of the country at large. Elected President once more, he refused to serve, and took instead the twin posts of Minister of War and Chairman of the Supreme Army Council. Yet he remained the actual power behind the scenes.

During the last five years, partly from choice and partly for reasons of health, Pilsudski lived in semi-seclusion, emerging from his retreat only about once a year for a military review on some national holiday. On these rare occasions he "stood before his people like some modern Genghis Khan—a strangely exotic figure despite the very European horizon-blue Marshal's uniform, a symbol of towering strength despite his pronounced stoop, his weather-beaten face as if modeled out of granite by a few powerful strokes of the chisel, with thick, protruding eyebrows and a heavy, drooping mustache giving it an added air of grimness. Thus the populace has seen him, and bowed to him in awe, reverence and obedience."

Even this brief description indicates that Pilsudski did not fit into the usual mold of European dictators. They not only delight to show themselves on every occasion, but cling to direct power and concentrate as much of it as possible in their own hands. Of his own volition Pilsudski divested himself of titular authority. Holding at one time or another all the highest offices in the State, he quit them as soon as he thought it safe for the nation that he do so. If he gained all the power in the land, he habitually delegated it to others whom he permitted to rule as best

they might—until they were brought up short by the Marshal for what he considered their mistakes. "Dictatorship by proxy," one student of Polish affairs aptly termed the system.

One reason for such self-effacement was the Marshal's extreme dislike for administrative detail. He had neither the patience to handle office routine nor the training that fitted him to grapple with the economic, financial and similar matters that nowadays make up so much of the work of governments. But another reason was that he deliberately sought to school his lieutenants in the art of government by throwing upon them the responsibility of managing affairs and making decisions.

The principles that guided Pilsudski in helping to create the new Poland influenced him also in directing its government. Convinced that the country's eighteenth-century misfortunes were traceable to its military weakness and to a neglect of foreign policy that was carried to the extent of virtual abolition of the diplomatic service, he made it his main concern to buttress the nation's armed defenses, to build up a vigilant and capable foreign service, to maintain friendly relations with leading European powers and to insure the republic against all contingencies through an alliance with France.

In many quarters Pilsudski's passing naturally raised the question, "Whither Poland without its strong man?" The general opinion appeared to be that there would be no immediate change of either domestic or foreign policy; and the view was regarded as confirmed by the prompt succession of General Rydz-Smigly, chosen in advance by Pilsudski himself, to the important post of Inspector General of the army. If there was

to be any real succession to the rôle of "strong man" which the deceased dictator played, General Rydz-Smigly was considered as eligible as any one else who could be named. Others mentioned in this connection were General Sosnowski, who for several months shared Pilsudski's cell in the prison at Magdeburg; Premier Walery Slawek, one of the dictator's most intimate friends, and Foreign Minister Josef Beck.

Perhaps the *Kurier Warszawski*, a moderate anti-Pilsudski newspaper, with which, in this matter, the official *Gazeta Polska* agreed, will prove to have been close to the mark when it said: "The Polish people will not be led in the future by the strong force of a single individual. There is no such man in Poland, and the nation would not like to adopt a system of one-man leadership. Poland enters a new period of wider, fuller responsibility." The clearest fact that has so far emerged from the situation is that internationally, with Pilsudski's steadying hand removed, Poland will be pressed hard to fall in with the new Franco-Russian alliance on the one hand, and with Germany and her satellites on the other. The bidding, indeed, has already begun.

Five days before Pilsudski's death the long-awaited national electoral law to which, with its curious mixture of democratic principles and Fascist tendencies, the dictator had given his assent, was submitted by Premier Slawek to the group of government and political leaders sponsoring it in the Sejm. Political parties and all similar groupings are to be abolished; 400 candidates for the 200 seats in the Sejm (reduced from the present 444) will be selected by non-partisan committees consisting of representatives of municipal councils, chambers

of commerce, agricultural associations, labor unions, the legal profession, the universities and other bodies; and from the four candidates named in each of 100 electoral districts the voters (now required to be over 24 years of age instead of 21) will choose two. One-third of the ninety-six members of the Senate are to be appointed by the President of the Republic and the remainder by provincial councils and other groups. Though certain to be opposed warmly by the German and Jewish minority groups and other Opposition elements, the plan is expected to be voted at an early date.

CZECHOSLOVAKIA'S HITLER

Although the politics of a country containing some twenty political parties might be expected to be characterized chiefly by confusion, a high degree of political stability was maintained in Czechoslovakia for five and a half years after the parliamentary elections of December, 1929. Except for the secession of two small parties having between them only twenty-five Deputies, the government depended throughout the period upon the support of the same coalition or bloc. Furthermore, as the elections of May 19, 1935, approached, it was quite generally assumed that the composition of the government majority would remain unaffected by any major change. Its component fractions were known to have decided to continue for the future the policy of cooperation to which they had adhered in the past.

The elections passed off quietly, but the results were not altogether as anticipated. To be sure, the votes polled by the Czech parties showed little change, the largest quota being that of the Agrarian party (1,176,000). But the German-speaking electorate swung in such unexpected numbers to the newly organized Sudeten

German party founded by the "Czechoslovak Hitler," Konrad Henlein, that the party actually polled more votes (1,294,000) than any of its rivals and secured forty-four seats, only one less than the number won by the Czech Agrarians. In some districts, indeed, the poll ran between 70 and 80 per cent of the entire German vote, being drawn about equally, it would seem, from the German Socialists, Agrarians, Catholics and Communists.

The elections weakened the German parties of the government bloc so seriously that the Malpetyr Cabinet resigned. A new coalition was formed, however, and Jan Malpetyr formed a new government which differed but slightly from its predecessor. No representative of the Sudeten German party was included, thus bearing out a statement made on May 23 in *Ceske Slovo*, mouthpiece of Foreign Minister Benes, that the Czechoslovak National Socialist party (of which M. Benes is leader) would not tolerate participation of the Henlein party in the government, and that the country's democratic parties were strong enough to serve the nation's needs.

Henlein's program, while giving lip-service to democracy and to the unity of the Czechoslovak State, as the party was obliged to do in order to be allowed to put up candidates, in reality drew the support of all the German Nazis and Nationalists of anti-democratic tendencies. It is commonly believed, although not capable of being proved, that the movement was largely financed from Germany. Justly claiming a "unique electoral triumph," Henlein in a telegram to President Masaryk reiterated the declaration made in scores of campaign speeches that his party accepts the basis of the existing Czechoslovak State and desires to be "loyal fellow-citizens of the Czechs." The upper-

most question as the elections passed into history, however, was: What will Henlein do with his great victory?

THE YUGOSLAV ELECTIONS

The Yugoslav dictatorship on May 5 risked a general election without banning opposition candidates. That the government came off victorious should not be surprising since voting was open and oral and plenty of pressure was applied to insure results satisfactory to the ruling powers. But for the first time under a contemporary dictatorship the opposition had at least a certain amount of opportunity to stand up and tell the government what it thought of it.

By decision of the Court of Cassation, the lists of two parties—the Socialists and a smaller group known as the National Dissidents—were refused recognition as not complying with the law, but two other opposition lists received approval from the same authority. The Slovene party, led by the former Premier Korosec, boycotted the elections. But no fewer than four parties participated: the Government party, whose list of candidates was headed by Premier Yefitch; the party of M. Maximovitch, whose list contained the names of many members of the National party which held sway until King Alexander's death; the Croat Peasant party, once more led by Dr. Vladimir Matchek, and furnishing the bulk of the Opposition; and the party of M. Lyotitch, representing the national corporative movement.

Governments in Yugoslavia do not lose elections, and in the present instance the precautions taken ran the full gamut of bureaucratic and police pressure, particularly in Croatia. Anti-government demonstrations were broken up; opposition organizers were arrested; foreign newspaper

men were ordered out of the Croatian area, presumably to prevent them from reporting acts of terrorism; officials and teachers everywhere worked, under orders, for the government ticket; voters were carried to the polls in hundreds of government automobiles. As every informed person expected, the Yefitch government won a decisive victory.

The country has a highly complicated electoral system, of which a principal feature is that the party polling a majority of the votes automatically receives three-fifths of the seats in the Chamber plus all those for Belgrade, the capital, while the remaining two-fifths are divided proportionally among all parties participating in the contest. The Government party thus obtains four-fifths of the seats if it polls a bare 50 per cent of the popular vote.

Official figures published two days after the May 5 election revealed a total popular vote of 2,778,172, of which the Government list received 1,738,390, the National Peasant list 983,248, and the two lesser party lists 32,720 and 23,814. Under the prevailing plan of allotting seats, the Government list secured 301 out of a total of 368. Hardly more than two-thirds of the electors went to the polls, perhaps because of the widespread indignation aroused by the electoral irregularities indulged in by government officials and agents. Neither of the lesser parties polled enough votes to share in the distribution of seats.

In Zagreb, the home of Dr. Matchek, the Peasant party polled 30,000 votes, as against 10,000 for the government, and throughout the Croatian area the opposition vote was far heavier than official reports given out in Belgrade would indicate—running, according to unofficial reports, as high as 80 or 90 per cent of the total. Emigrés from

the region reported that at least eleven persons were killed and scores wounded because of their opposition to the government and indicated that a formal protest to the League of Nations was being planned. To an outside observer it seemed a pity that the Belgrade government should so quickly have squandered the patriotic fervor created among the Croats by the assassination of King Alexander only seven months previously.

A MONARCHY FOR GREECE?

The Greek royalists received a severe setback at the Parliamentary elections held on June 9, when they won only seven seats, while the Tsaldaris-Kondylis party won 287 out of 300. The government thereupon postponed indefinitely a plebiscite on restoring the monarchy. Nevertheless, *Vradene*, the chief newspaper organ of Premier Tsaldaris, had declared on May 7 that the return of King George

II, who lost his throne twelve years ago, was a "strong probability." It was generally believed that the Premier, despite his oft-reiterated support of the republic, was quietly preparing for the proposed restoration. The eight-day revolution precipitated by Venizelist officers and sympathizers in March was allegedly motivated by the fear of such a contingency.

Support for the monarchist cause comes principally from the followers of three of the country's cleverest politicians—Tsaldaris, Kondylis and Metaxas—as well as from other people who look upon a revival of kingship as a logical and necessary means of relief from the prolonged absolutism which Venizelos exercised with unmatched adroitness inside the limits of a republican constitution. At present, not only is M. Venizelos in exile with a sentence of death hanging over him, but his Liberal Republican party is in ruins.

Peace Prospects on the Baltic

By RALPH THOMPSON

A RELATIVE calm descended upon the turbulent Memel area during the month of May, with something like sweet reasonableness hovering over the Baltic area as a whole. The meeting of the Foreign Ministers of Estonia, Latvia and Lithuania at Kaunas from May 6 to May 8, while not fully reported to the press, apparently resulted in renewed assurances of cooperation among the three republics themselves and in pious if not explicit assurances of their devotion to the cause of peace. Before the conference assembled it had been rumored that Lithuania, because of her contin-

uing differences with Poland, would no longer be able to see eye to eye with Estonia and Latvia, but these rumors were set at naught (at least in the official communiqué) by the conferees themselves. As the conference met, indeed, indications of an impending Polish-Lithuanian rapprochement became once more visible.

What has been called the first formal meeting since 1926 of Polish and Lithuanian officials took place in Geneva on April 18, when M. Klimas, the Lithuanian Minister to Paris, called upon Colonel Beck, Polish Foreign Minister. Some weeks later Major

Lepecki, personal aide-de-camp to Marshal Pilsudski, arrived in Kaunas, presumably to talk with influential political figures there. Thus again it becomes a possibility that Lithuania, perturbed by Germany's gestures in regard to Memel, has either sought or shown herself willing to accept reconciliation with her ancient enemy, the Polish Republic.

Toward Germany as well Lithuania has chosen to assume a more conciliatory attitude. On May 17 the Supreme Court at Kaunas upheld on appeal the death sentences recently imposed on four Memel Nazis, but reduced all prison sentences meted out (except that of Hans von der Ropp, aide to the Nazi leader von Sass) and altered details of the fines ordered by the military tribunal. On the following day President Smetona commuted the death sentences to life imprisonment.

These measures of clemency did much to relieve a growing tension. Although official Germany declared that the President's decision "did not correct the injustice originally done," there was no question that had the four men faced a firing squad, popular resentment within the Reich would have reached serious proportions. While relations between the two countries are still bad, they have at least up to this point not been embittered by legalized bloodshed.

On yet another score Lithuania has exhibited reasonableness. The British, French and Italian Governments, as guarantors of the Memel Statute, dispatched on April 19 a joint note (a previous note had been sent in March) calling attention to the anomalies existing in Memel and declaring that Lithuania should take steps to re-introduce representative government there. The Statute provides that a Directorate of five members shall enjoy the confidence of a Chamber of Depu-

ties, but when the note was sent no such Directorate existed and the Chamber had not sat effectively for nearly a year, since in protest against the German majority Lithuanian Deputies had consistently absented themselves and thus prevented a quorum.

In reply to the note of the guarantor Powers, Lithuania on May 2 reported that everything possible to meet the conditions of the Memel Statute was being done. President Bruvelaitis of the Directorate had in fact already appealed to German leaders in the Chamber to accept a place on the Directorate, which would then have three out of its five members representing the German majority. But his appeal was in vain, and on May 5 the three-year mandate of the Chamber expired. Although the Memel Statute makes no provision for new elections after the natural expiry of a period of office, M. Kurkauskas, Governor of the Memel Territory, announced on May 11 that voting would take place at the end of September. The much-fought-over area may therefore eventually be blessed by a government which represents the will of the people rather than that of Nazi sympathizers or hyper-ambitious Lithuanians.

THE MONTH IN SWEDEN

First in point of time of recent events in Sweden was the visit to Stockholm in mid-May of Rudolph Hess, German Minister without portfolio, to lecture before the Swedish-German Society. His remarks were apparently intended to re-establish that sympathy which Swedes once held for Germany, but, according to local press comment, they did nothing of the kind. Although Herr Hess was received by King Gustav, government circles were plainly not flattered

by his presence. "Herr Hess," the semi-official *Social Demokraten* observed editorially, "declared in public that German Socialists, spiritual comrades of the Swedish majority party, were scoundrels responsible for Germany's woes. He could speak thus because Sweden is a free country. What, however, would happen to a Scandinavian Socialist who took it upon himself to judge Nazis while visiting in Berlin?"

Indirect evidence of the coolness with which Sweden now regards Germany was to be gathered from the trade agreement which Sweden and the United States signed at Washington on May 25. Both parties to the new treaty made tariff concessions calculated to increase their exports, and each granted the other most-favored-nation treatment. Thus Ger-

many's declining exports to Sweden, which during the years 1926-1933 represented about 30 per cent of Sweden's total foreign purchases, will probably be further decreased.

The last week-end in May began with one great national celebration and ended with another. On May 24 Princess Ingrid, daughter of the Swedish heir to the throne, was married amid royal splendor to Crown Prince Frederik of Denmark. Three days later commenced the nation-wide ceremonies commemorating the 500th anniversary of the founding of Swedish democracy. A peculiar interest attaches to the proximity of these two events, for it was in opposition to Denmark that Engelbrekt Engelbrektsson in 1435 called together the first Swedish Parliament.

Patriotism Comes to the Soviets

By EDGAR S. FURNISS

THE May Day celebration in the Soviet Union this year gave striking proof of the changing character of communism as interpreted by the present leaders. There was virtually no sign of the emphasis upon world revolution and the international unity of the militant proletariat so characteristic of May Day in former years. Indeed, a great patriotic demonstration was held. It was not unlike those which commemorate the national holidays of other countries. Special efforts were made to impress foreign observers with the military might of the Soviet Union. In Moscow the keynote of the demonstration was the display of Russia's military aircraft. More than 700 planes took part, ranging from gigantic bombers to new

types of pursuit planes capable of prolonged flights at high speeds. The ground display, consisting principally of tanks, armored cars and field artillery, emphasized the mechanization of the Soviet Army. The prize unit of the Red Army, the Proletarian Division of 20,000 soldiers, was the chief representative of the standing army of 1,000,000 soldiers.

The military displays in Moscow and elsewhere were undoubtedly intended to warn the other nations that Russia would prove a dangerous antagonist to any enemy State or group of States. The speech-making of the day drove home the point. The keynote struck by the chief orator, Defense Commissar Voroshilov, was not bellicose and provocative, but

aggressively self-confident in expressing readiness to fight in defense of Soviet national interests.

Although international considerations helped to determine the character of the May Day celebration, it was significant in a still more striking manner. The Soviet State no longer figures as the leader of a world-wide class movement. It has become absorbed in its own problems to such an extent that the very day dedicated to the conception of a class war that knows no national boundaries has lost for Russia its international character. Even the Executive Committee of the Communist International, in its usual annual message to the workers of all countries, showed clearly the influence of its Soviet environment. The message was not a call to arms as in former years, but a rather mild appeal to wage-earners everywhere to struggle for bread-and-butter advantages such as higher wages and shorter hours.

The sudden dissolution of the Society of the Old Bolsheviks by decree of the Central Executive Committee of the Communist party on May 26 is another indication of Stalin's decision to free himself from the revolutionary traditions of communism. Membership in the society was restricted to those whose party activities antedated the revolution in 1917, and accordingly it included many men whose adherence to older doctrines made them suspect to the leaders who are today directing communism into new channels. At one time the honor society of Russian communism, it had headquarters in the Kremlin, its own publishing house, a theatre and a museum and local chapters in large cities. One by one the most prominent members, such as Trotsky, Kamenev, Zinoviev, Rykov and Tomsky, have fallen victim to Stalin's determination to stamp out

all opposition to his will. Since the society remained a link with the past that might at any time prove troublesome to the new leadership, it was suppressed and its property taken over by the Executive Committee.

On the same day *Pravda*, the official party organ, published a decree calling for a comprehensive re-examination of the party membership before the forthcoming issuance of new membership cards. The decree lumped together "counter-revolutionary Trotskyists, White Guards and Zinovievists" as enemies of the Communist cause to be extirpated by a vigilant censorship. In other words, the present dictatorship draws no distinction between the supporters of Czarism and the original members of Lenin's inner council. These occurrences within the party, like the national observances of May Day, indicate how radically the Sovietism of today differs from that of a few years ago.

Since the beginning of the year the government has adopted numerous changes of policy affecting the status of the peasantry within the Soviet social structure. The abandonment of the ration card system, announced in January, canceled a privilege long enjoyed by the wage-earners as against other social classes. Political discrimination against the peasantry, which had existed since the beginning of the Soviet régime, was removed by the electoral reforms of February. The details of the new system have not yet been announced, but it is clear that the peasant population will in future hold predominant power in the Union.

The system which gave the urban population at least three times as many representatives in proportion to their numbers as the peasants has been abolished, as has been the system of indirect election which still further reduced the political influence of the

rural population. These devices are to be replaced by a system of "direct, equal and secret voting," which counts each citizen above 18 years of age as one voter regardless of his residence or occupation. Since the peasants now number 127,000,000 and the urban dwellers 40,000,000, the effect of this change, if fully carried out, is obvious.

The peasants have also been granted new privileges that materially improve their economic condition. Recent decrees give the members of the collective farms substantial increases in the amount of land they may hold under private cultivation and in the number of farm animals they may own privately. The plots of ground vary according to district and size of family from three-quarters of an acre to three acres. In the grain-producing areas each household may own one cow and two calves, ten sheep and goats, some pigs and an unlimited number of poultry. In the cattle raising districts the allowance of farm animals is considerably larger. The government has promised to aid in financing the purchase of these allotments of livestock. Improvements have also been made in the methods of payment for the labor of peasants on the collective farms.

These political and economic concessions have been interpreted by certain observers as a move by the government to assure the loyalty of the peasants in the event of war. It is said that the new policies were proposed and their adoption effected by Voroshilov, Commissar of Defense. Last year the government was disturbed by discovering wide-spread disaffection in many rural regions, and particularly in the strategically important area of the Ukraine, where it had developed to the point of an organized separatist movement. This Spring conspiracies of the same character were

again discovered. These findings lend support to such an interpretation of the new agrarian policy.

Even if this explanation is accepted, there are other aspects of the situation to be considered. The relaxation of political control over the peasants and the more generous treatment accorded them testify to advancing Soviet prosperity and the increasing security of the program to which the government is committed. The food supply of the urban people and the army is well enough assured for aggressive tactics against the peasants to be discontinued. The industrialization program is so far advanced that the burden of financing it at the expense of the people can be lightened. The socialized forms of agrarian organization are now well established and coercive measures can be replaced by appeals to individual interest.

Economic progress is also reflected in recent changes of industrial policy. Until the present year the government has concentrated its energies primarily upon volume. New industries were multiplied; machine equipment was accumulated in vast quantities and as rapidly as possible; production schedules were increased year by year. Achievement, whether of the individual workman, the individual factory or the entire industrial structure, was measured only in terms of gross quantity. This entire program, Stalin said in a recent speech, was guided by a conviction that the government was working against time to make the country industrially self-sufficient under constant threat of attack by foreign enemies. During these years of industrial expansion little attention was paid to quality. For example, when the wage system was revised to discard the Communist principle of equality for the capitalistic method of payment based on effi-

ciency, the premiums went to the workers who exceeded the scheduled quantities.

This Spring, however, the industrial program entered upon a new phase. The problem of providing productive capital in the form of new industries has been to a large extent solved, and there no longer exists urgent need for rapid expansion. The emphasis has been shifted to the effective operation of the existing industrial plant. This is a problem of training personnel, from the manager and technician down to the machine tender, to operate the new industries on a basis measurable in terms of quality as well as quantity.

The Soviet Government is attempting to supplement the achievements in industry and agriculture by currency stabilization. The ruble, nominally on a gold basis, has had no defi-

nite value in foreign markets, while within the Soviet Union its purchasing power has fluctuated with each issue of paper money and has been further affected by official price regulation. The abandonment of the ration system and the rapid expansion of trading in the open market, which have occurred since the beginning of the year, have greatly tended to increase the free play of economic forces in determining the domestic value of money. At the same time, the government is taking steps to control the amount of money in circulation. During the past two years almost 700,000,000 rubles in currency has been withdrawn. A new internal loan of 3,500,000,000 rubles, announced on May 4, is intended to aid monetary stabilization by providing the means for capital expenditures without inflating the currency.

Turkey's Nationalist Creed

By ROBERT L. BAKER

FOR several years writers on Turkey have been seeking a name that would adequately describe the theory of government that is applied by the young republic. None of the conventional labels was satisfactory. In fact, the system was created to meet Turkey's peculiar conditions, and a strange mixture of ideas was the result.

Turkey is democratic, but anti-Liberal. Her program resembles fascism in some respects and communism in others. At home it stresses nationalism and insists that Turkey shall be preserved for the Turks, but in foreign policy it has been conciliatory in both theory and practice. The almost

legendary President, Kemal Atatürk, is an ill-disguised dictator and the administration is highly centralized. Yet the Grand National Assembly, unlike the Parliaments of Italy and Germany, is surprisingly free in its discussions, works hard and performs many useful functions. It is controlled, however, by the Republican People's party, which enjoys as great a monopoly in politics as do the Fascists in Italy, the Nazis in Germany and the Communists in Russia.

This being true, the general congresses of the People's party are very important, and their decisions are enacted into law without delay by the Grand National Assembly. At the

fourth of these congresses, which met at Ankara from May 10 to May 17, an official name was given for the first time to the program of the party. Appropriately enough, the name chosen was "Kemalism."

Among the doctrines connoted by Kemalism and reaffirmed by the congress are the following: (1) Sovereignty belongs to the people through the Grand National Assembly; (2) class distinctions are abolished and equal rights for men and women are recognized; (3) the State should own all public utilities and industries that directly concern national defense, and should control industry with the right to purchase any enterprise when deemed desirable; (4) religion is a private concern and the State shall not interfere except to insure that religious prejudice is not made the pretext for reactionary propaganda endangering the safety of the republic; (5) individual freedom and private ownership are guaranteed provided they do not conflict with the public interest; (6) "all the country's resources, human and material, shall be used for its defense."

Point 5 is perhaps the most significant of these doctrines because the authority to define "the public interest" remains in the hands of the President and his advisers. In view of the government's often exercised power of administration by decree, the individual Turk's freedom is thus exposed to abuse.

There is no place for liberalism in the Turkish State. Rejeb Peker, secretary general of the People's party, declared before the congress that it led to political quarrels and ultimately to anarchy. Nevertheless, the party permitted a number of independents to win seats in the last election to the Grand National Assembly in order to encourage debate.

A certain amount of tolerance was shown by the congress when it was proposed to prohibit the wearing of veils by Turkish women. The body finally decided against such legislation, holding that most women have already abandoned the veil and that the remainder, mostly older women, will gradually follow their example.

On May 28 the Grand National Assembly adopted a bill making Sunday the weekly day of rest in Turkey in the place of Friday, the traditional Mohammedan Sabbath.

Turkey's determination to keep pace with Europe's armament was shown by two incidents during May. On May 18 the Cabinet approved a plan for compulsory pre-military training of Turkish children of both sexes, and a training program is being drafted by the general staff. This measure seems to have been copied from Mussolini's "child army." The Cabinet also ordered a large increase in the number of reserve officers. That Turkey will soon increase her air forces to about double their present strength is apparent from a speech by Premier Ismet Inonu on May 25, in which he declared that \$24,000,000 must be appropriated annually for the purchase and upkeep of a minimum fleet of 500 planes.

A move to overthrow the republic in Southern Asia Minor was discovered on May 5, and by May 8 more than thirty of the conspirators had been arrested. The movement was headed by Sheikh Uzzeman Saidi, one of the leaders of the Kurdish revolt of 1929. Dissatisfaction with the religious policy of the government appears to have been the basis of the plot.

The Izmir (Smyrna)-Aidin Railway, British built and owned, was purchased by the Turkish Government on May 1 for about \$8,500,000. Turkish bonds bearing 7½ per cent interest, payable in forty annual in-

stalments, were accepted by the company in payment.

EGYPTIAN POLITICS

Egypt witnessed one of its rarest political events, a compromise, on June 1, when Nahas Pasha and other leaders of the Wafd, or Nationalist, party promised Premier Nessim Pasha not to press for the immediate restoration of the 1923 Constitution. Nessim's Cabinet, which appeared very shaky during the last half of May because of attacks from both the Palace and the Wafd press, was thereby given a new lease on life, and was expected to survive for several months at least.

Such an unusual concession was most distasteful to the Wafdists, as they ardently desire free elections under the old Constitution, confident that they would be returned to the dominant position they lost in 1930. The alternative to supporting Nessim, however, was even less pleasing to them. If Nessim, who is pro-Wafdist, had been forced to resign on account of continued Wafd opposition, the Premiership would undoubtedly have fallen to an avowed enemy of the Wafd and the 1923 Constitution would have been further from realization than ever.

It is believed that Nessim really desires an early return to constitutional government, and that his delay in restoring it is due to two factors. First, he has expressed on many occasions his purpose to rid the administration of corruption and political sin-ecures before turning it over to party control; and second, he is obliged to respect the wishes of the British Residency, which seems to be playing a more active rôle in domestic affairs than it has for several years.

The British, along with conservative elements in Egypt, are fearful of

the consequences of restoring the liberal Constitution of 1923—revival of political animosities, elections accompanied by considerable violence, Wafdist control of Parliament and government, and a heightened nationalism. It is not unlikely that the Residency has been advised by the British Foreign Office to "keep Egypt quiet at all costs," in view of the international situation.

Nessim Pasha has been violently attacked in the press of Cairo recently as a minion of the Residency, an accusation that is palpably untrue, though in practice he must either follow British wishes or resign. While he cares little about being Premier, he is eager to carry out his administrative reforms, and for that reason desires to stay on. The Wafd, in giving him more time, expects him to persuade the British that it has changed greatly since the late Twenties and that it can now be safely entrusted with the reins of government. If Nessim fails to win over the Residency within a reasonable time the postponed crisis will return in a more serious form.

The Egyptian Finance Minister on April 25 reported a budget surplus of \$20,000,000 for the fiscal year ended April 30.

IRAQ AND IRAN

At the meeting of the Council of the League of Nations on May 25 it was decided to adjourn consideration of the dispute between Iraq and Iran over legal rights in their boundary river, the Shatt el Arab, until the next session. Baron Aloisi of Italy, the reporter on the dispute, informed the Council that the principals had failed to agree, but expressed the hope that they might be prevailed upon to negotiate directly. In any case the quarrel is not serious, and there is



(From the London Times.)

little danger that it will cause a break.

Boundaries, in the case of rivers, are normally considered to be mid-stream. But, according to the Turco-Persian Treaty of Erzeroum in 1847 and a protocol in 1914, Turkey's sovereignty over all the waters of the Shatt el Arab was recognized. After the war Iraq, as the succession State, claimed all Turkey's legal rights, including full control of the river. As Persia questioned the latter right, Iraq appealed to the League last December to confirm her sovereignty.

Apart from her legal claim, based on the treaty and protocol, Iraq contends that while Iran has a thousand miles of seacoast she has none, and that her only means of access to the sea is by way of the Shatt el Arab. Hence she does not want to share legal possession with Iran. Once her legal claim is upheld she promises to be willing to negotiate over the question of a mixed board under a neutral president that would control navigation on the river.

Iran, on her part, disputes the validity of the treaty of 1847 and the protocol of 1914, on the ground that they were not ratified by the Persian Parliament. She does not complain about her present treatment in the Shatt el Arab, but points out that at some

future time she might suffer because of her lack of legal status. As Iran's case is far from being strong it is believed that she will eventually agree to accept a *modus vivendi* giving her equality of status regarding the river.

IRAQ QUELLS REVOLT

A time must eventually come when the leaders of Iraq will take steps to liquidate the semi-independent tribes of the Middle Euphrates, but at present a tolerant policy is in vogue, mainly because the central government lacks the strength to adopt a strong attitude toward the tribes. Some of the sheikhs are very hard to please and appear to know of no other way to express their real or imagined grievances than by revolt.

Since the beginning of the year there have been two such tribal uprisings, the last occurring early in May. Little more than a show of force was necessary to put them down, but meanwhile the rebels caused considerable damage and inconvenience by cutting railway tracks and telegraph and telephone lines. The sheikhs submit only to rise again because they know that they will not be dealt with harshly. In return they gain local renown and usually extract new concessions from the easy-going Baghdad government.

The most recent revolt occurred near Ramaitha and for more than a week disrupted communication by rail, telegraph and telephone between Baghdad and Basra, Iraq's important port at the head of the Persian Gulf. Government troops sent into the disaffected region met with little resistance and on May 23 it was officially announced that all the sheikhs involved in the revolt had submitted.

An heir to the Iraqi throne was born at Baghdad on May 2 to Queen Aliyah and King Ghazi.

Japan's High Hand With China

By GROVER CLARK

ONCE more Japan has forced the issue in China. Once more China has given in to the strong demands of the Japanese Army, acting independently of the Foreign Office. In this case the army spoke through its headquarters in the Manchukuo capital, which means that the talking was done by that arch-militarist, General Jiro Minami, who, as Japan's commander of the Kwantung Army, Ambassador to Manchukuo and Governor of the Kwantung Leased Territory, controls all Japanese activities in and related to Manchuria. Nor does General Minami seem to have thought it necessary to consult even the War Office in Tokyo before acting.

Japanese Army headquarters at Hsinking issued on May 4 a statement threatening drastic action to end so-called violations by the Governor of Hopei Province of the agreements relating to the neutral or demilitarized zone just south of the Great Wall. The Governor, according to the statement, had sent troops into this zone in violation of the terms of the Tangku truce of 1933 and of supplementary agreements, including one reached on April 11 of this year.

According to Tokyo reports, this move, like that on Sept. 18, 1931, when General Minami was War Minister, came as a complete surprise to the Japanese Foreign Office, which had no idea that new trouble had arisen. The Foreign Minister only the day before had told the Japanese prefectural Governors that relations with China were showing "notable improve-

ment"; he also had urged the need for still more collaboration and amity.

The "truce area" in question, which stretches from the Great Wall almost to Peiping and Tientsin, has been the breeding place of much ill-feeling since the Japanese forced the Chinese to agree to its creation in 1933. When Japanese troops advanced close to Peiping and Tientsin, the Chinese signed the Tangku truce to get them beyond the Great Wall. By that truce, China assumed responsibility for preserving order in the district, but she was debarred from sending soldiers into the zone and was permitted to use only a limited number of special police. Since the signing of the truce, the zone has been the gathering place of trouble makers, many of whom were driven out of Jehol by the Japanese. These men have kept the zone disturbed, and occasionally have raided outside it.

The Japanese have blamed the Chinese for the trouble, but have refused to permit them to send in troops to restore order. The Chinese have accused the Japanese of wanting to allow this extremely unsatisfactory condition to continue so that at a convenient moment the Japanese Army would have an excuse to occupy the area in "self defense."

Such had been the situation for two years. New trouble started early this Spring when the Japanese drove another partially organized lot of "bandits" from Jehol into the zone. The Hopei Governor, in whose Province the zone lies, seems to have

moved troops toward or into the zone, and the threat from the headquarters of the Japanese Army at Hsinking followed.

For a couple of weeks thereafter the Japanese did not act, but on May 20, their troops moved south of the Wall. Chinese irregulars, it was charged, had been making trouble along the Jehol border. According to a War Office statement in Tokyo, "if things had been left as they were, it was feared that the peace of Jehol would again have been disturbed." But the War Office also was careful to declare that "the sole object of the present drive is to clear away the bandits, and the Japanese troops will be recalled within the Great Wall once the bandits are defeated. The Japanese Army has not the slightest intention of starting other military operations." All this echoes Japanese Army statements in the Autumn of 1931.

A clash occurred on May 23 in which, according to the reports, 300 Chinese irregulars and six Japanese soldiers were killed. Three days later a Japanese military report at Tientsin had it that the Japanese troops were withdrawing, since the "disorderly elements" had been crushed. But on May 28 the Japanese Legation at Peiping stated that the Japanese troops were remaining to "mop up" and make sure the bandits would not reunite, though the final dispersal of the trouble-makers would be left to the Chinese Peace Preservation Corps in the zone. Meanwhile, Japanese airplanes had resumed daily "observation" flights over Peiping and surrounding territory.

The next step followed quickly. The Chinese authorities in Peiping and Tientsin were presented on May 29 with a formal statement that unless all the Japanese demands were met without qualification the Japanese

Army would move down in force and extend the demilitarized zone to include these two cities. The statement said that anti-Japanese intrigues and activities originated chiefly in these centres; both the 1933 Tangku truce and the Boxer protocol of 1901 were violated frequently and with the deliberate intent of provoking the Japanese Army and creating disturbances in Manchuria. This was forcing the Japanese Army to act in self-defense, and the Chinese would be responsible for the consequences. The Japanese Chief of Staff in North China said that the statement "does not contain any bargaining points."

On June 5 the Nanking Government was reported to have agreed to all the demands. These were described unofficially as follows: Withdrawal of Chinese troops from the Peiping and Tientsin areas; replacement of all officials in North China objectionable to the Japanese Army; closing of all offices of the Kuomintang in North China; abolition of the North China political training section of the Chinese Military Council; dissolution of anti-Japanese organizations in North China; complete suppression of "anti-Japanese education" in Chinese schools; destruction of Chinese books containing anti-Japanese passages.

Apparently not even the Tokyo War Office was consulted about the presentation of these May 29 demands; the correspondent of *The New York Times* reported on May 30 that "the War and Foreign Offices received dispatches concerning the latest tension only this afternoon." Both offices, however, promptly began to drag out excuses for what the army had done. The Tokyo and the Nanking Foreign Offices also promptly started to minimize the importance of what had happened, declaring that the trouble was purely local and could be settled

easily. But the military authorities directly involved on both sides were less pacific.

JAPANESE FOREIGN TRADE

Japan buys from both Canada and Australia considerably more than she sells to these countries. Last year the unfavorable balance with Canada reached 46,000,000 yen and with Australia 133,000,000 yen. (The yen exchange is about 28 cents.) The Japanese have sought to reduce these deficits, but they are using quite different methods in dealing with the two British countries.

With Australia the Japanese are applying the old adage that honey catches more flies than vinegar. Several trade and good-will missions, official and unofficial, have been sent to Australia, and the Australian trade mission which visited Japan last Autumn received a royal welcome. Japanese spokesmen in Australia have talked of friendship and good-will as a basis for mutually profitable trade.

But the policy toward Canada is quite different. On May 1 a protest was filed with the Canadian Minister to Japan against the Canadian method of levying import duties on Japanese goods which are valued for customs purposes at the old parity of the yen (49 Canadian cents) instead of at the present exchange (about 20 Canadian cents). As a result, the Japanese claim, import charges on Japanese goods are increased by 300 to 400 per cent. They regard this method of calculating duties as unfair. The Canadians, on the other hand, deny any unfairness, asserting that the exchange equalization laws are applied without discrimination to goods from all countries. In addition, it is Japan's own fault if she suffers, since she has only officially to devalue the yen so that it will have a new parity somewhere

near the present actual exchange value instead of 60 per cent above that value.

This protest to Canada came a couple of days after Foreign Minister Hirota had appointed two committees to study trade matters. One of these is to consider the Canadian situation; the other is to study important controls with a view to opening up markets for Japanese goods in countries with which Japan now has a large import surplus. This latter committee, if the wishes of leading Japanese industrialists are carried out, will also take up the question of regulating industrial production in Japan so as to check a tendency toward overproduction which has been apparent since the first of this year.

In the case of Canada, Japan can exert pressure, even to the extent of refusing to buy Canadian goods, because Japan may buy elsewhere such Canadian products as newsprint, wheat, timber, zinc and lead. But Japan must tread softly in dealing with Australia since most of her wool is obtained there and adequate supplies are not to be found elsewhere. The Japanese also hesitate to talk of a refusal to buy American goods, even though imports from the United States considerably exceed exports to this country, because Japan gets much of her raw cotton here.

Japanese trade leaders, however, are seeking new sources of cotton in order to free themselves from this dependence on the United States. They are turning in part to Brazil. The head of a Japanese trade mission placed a tentative order in May for 200,000 bales of Brazilian cotton—compared with a little over 9,000 bales taken in 1933—but he accompanied the order with remarks about the desirability of better understanding and

of more purchases of Japanese goods by Brazilians.

Toward the same end of building up sources of raw cotton, Japanese interests are investing considerable money and effort in the development of cotton production in the northern coastal provinces of China as well as in Manchukuo. If the present hopes are realized, one estimate has it, Japan within two years will be able to get enough raw cotton, and cotton of sufficiently high quality, from China to make her almost completely independent of American supplies. Already, according to reports, large areas in Shantung Province have been put into cotton instead of wheat, kaoliang and other food stuffs.

The flow of cheap Japanese manufactured goods into the United States may be greatly affected by the ruling of Judge Paul McCormick of the United States District Court at Los Angeles on May 4. His ruling barred Japanese electric light bulbs from importation into this country on the ground that they infringed American-held patents. The decision was handed down in suits filed by the General Electric Company in 1933 against a group of Japanese distributors. Judge McCormick, in giving his decision, directed the General Electric Company to apply for an injunction against the importation of Japanese bulbs; this injunction was granted on May 13. Representatives of the Tokyo Lamp Company promptly posted a \$15,000 appeal bond, which will stay operation of the injunction pending appeal and settlement.

The decision would be significant if bulbs alone were involved, for Japan's sales of cheap bulbs in this country have run to 100,000,000 a year and the United States is Japan's principal export market for these

goods. But considerably more is at stake. If the Los Angeles judge is upheld in the higher courts, and the principle is established that goods infringing American patent rights may be barred by court injunction from import into this country, American manufacturers will have gained a new means of checking Japanese imports. Already there is talk of bringing suits covering Japanese radio sets and equipment.

CHINESE COMMUNISM PERSISTS

Chinese Communists, according to reports based almost entirely on information secured from official sources have been slaughtered by the thousands, dispersed and driven back. General Chiang and his wife are said to be winning the enthusiastic support of the peasants by attempts to restore livable conditions in the regions from which the Communists have been expelled. Yet somehow the Communists seem to bob up again after each "crushing defeat" by General Chiang's cohorts. General Chiang has apparently been driving the various Communist armies slowly from the region south of the Yangtze River and into the far western Province of Szechuan. He has moved his headquarters westward from one centre to another, and by the beginning of June had reached Chungking, on the borders of the Szechuan plain. Yunnan and Kweichow Provinces were said to be under his control, but that control may not be very effective. Szechuan at the moment seems to be even more disturbed than it has been for several years, and foreigners in the capital city of Chengtu are moving out of the province. Despite official reports, it is obvious that the Communist menace in Central and Western China still continues.

Test Eyesight Regularly



The Blackboard Problem—as it looks to Jim and as it looks to Bill

BILL failed in arithmetic. He couldn't add blurry figures that wouldn't stand still. Poor vision is a tough handicap to a child in school. At least one in every ten has some form of defective eyesight.

Many of these uncorrected defects are progressive and cause increasing eye-strain and impairment of vision. Eye-strain may lead to severe recurring headaches, nervous exhaustion, hysteria, insomnia, dizziness and other disorders.

In older people there are other conditions of the eyes which are far more serious than imperfect vision. If untreated, they may eventually lead to blindness. Glaucoma and cataract can be present and in the first stages give little indication of their threat to your sight. Recognized early, glaucoma may be successfully treated; a cataract may be removed by an operation.

Good reading habits of young and old

A Special Warning

Contrary to a widespread idea that the Fourth of July has been made "safe and sane," the National Society for the Prevention of Blindness states that the toll of accidents from fireworks was greater last year than in many previous years.

prevent many eye troubles. Have your eyes examined regularly, even though they seem to be normal. Never wear glasses which have not been prescribed. Don't read

with the light shining into your eyes, or without your doctor's consent when recovering from serious illness, or when lying down—unless your head and shoulders are propped up and the page is held at right angles to your eyes below the line of vision. Hold your work or book about 14 inches from your eyes.

Don't use public towels or rub your eyes. Conjunctivitis and other communicable diseases may follow. Do not use any medication for diseases of the eyes unless it has been prescribed for the purpose.

Make sure that no member of your family is endangering his sight. Send for the Metropolitan's free booklet "Care of the Eyes." Address Booklet Department 735-K.



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A TRAVELER'S NOTEBOOK

SAN DIEGO, Calif., is preparing to accommodate 10,000,000 visitors to the California Pacific International Exposition which is to remain open until Nov. 11. Among the special features of the fair will be a reproduction of the Globe Theatre of Queen Elizabeth's day, in which Shakespeare's plays will be presented, and Gold Gulch, an exact replica of a mining town of the really Wild West of 1849.

* * *

Under the Friedrichstrasse station in Berlin are public baths which are open to travelers all night. A platform ticket costing 3 cents is all that is needed for admittance.

* * *

A train-finding robot has been installed at Victoria Station in London. Under glass is a list of all the stations served by the Southern Railway System and opposite each is a button. When a button is pressed a printed card slides into view giving the full service between Victoria and the desired station.

* * *

When the new palace of the League of Nations at Geneva is completed in the Autumn it will also serve as a museum of international art. Murals and decorations representing the artistic genius of all the member nations will adorn its rooms and halls.

* * *

The tiny French islands of St. Pierre and Miquelon, just off the southern coast of Newfoundland, have had a checkered existence. In 1884 St. Pierre was the leading fishing port of the world. Following a long period of depression the islands prospered once more, serving as headquarters of rum-running fleets that supplied the demands of the thirsty United States during the prohibition years. Now St. Pierre and Miquelon have again lapsed into their rôle of minor fishing ports and a French naval base.

* * *

Heidelberg's Great Tun, the largest wine cask in the world, with a capacity of 49,000 gallons, was built in 1751, but has seldom been used. Its nearest competitor is the 25,800-gallon cask at Count Esterhazy's estate at Baz, Hungary, built in 1802.

* * *

London now has 10,000 safety lanes for the protection of pedestrians. Since last June the authorities have replaced the lines of white paint formerly used by rows of metallic studs.

* * *

Croupiers at Monte Carlo, who normally earn from \$5,000 to \$7,000 a year, have suffered because of the depression in gambling. About 2,000 of them are now out of work and

the principality of Monaco has been obliged to give relief in the form of a dole. The dole amounts to \$18 or \$14 a week, depending on whether the unemployed croupier is married or single.

* * *

The gregarious Nazis will begin construction in the Autumn on the largest hall in the world at Nuremberg. It will accommodate 60,000 people, and there will be room on the platform alone for 5,000.

* * *

William M. Flinders-Petrie, famous 80-year-old British archaeologist, recently announced his conclusion that the cradle of civilization is buried within or near the "fertile crescent" that begins at the head of the Persian Gulf, curves northwest with the Tigris and Euphrates Rivers to the plain of Aleppo, thence southwest along the coast of the Mediterranean.

* * *

Although Spanish women were the first in Europe to smoke tobacco, few outside the upper classes do so today. Those who do smoke seldom indulge in public.

* * *

Moscow's new subway, called the most beautiful in the world, was opened to traffic on May 15. The stations are especially impressive with their checkerboard pavement, marble columns and colorful mosaics.

* * *

In an American telephone directory the most common names are Smith, Brown, Jones, Johnson and Cohen. In the Shanghai directory the most common are Chen, Wong, Woo, Koo, Ding and Dong. There are also many subscribers named Ah and Oo.

* * *

At Orebo, Sweden, is a clock that has run for nineteen years without winding. Its motive power is furnished by changes in atmospheric pressure, but it is so constructed that it can run for a year without a change in the barometer.

* * *

Oliver Leraux, a Frenchman, is the present wine-drinking champion of the world. His average daily consumption amounts to nine and one-half quarts. A Hungarian with an average of over eight quarts is reported to be in training in the hope of winning Leraux's title.

* * *

The oldest newspaper in the world, the *Peking Pao*, recently ceased publication after a career of four centuries. It was originally printed on strips of yellow silk and became a daily in 1800.



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Continued from Page VII

bases, and only Truk, in the Marshall group, possesses the natural advantages necessary to a potential Gibraltar. Professor Clyde asserts that at least until the late Spring of 1934 Japan had not violated Article IV of her mandate, by which she pledged herself not to build fortifications. Other chapters in the book deal with the history of the islands, with the Japanese administration and with the very tangled question of the sovereignty of Class C mandates.

ROBERT L. BAKER.

Van Loon's Ships

SHIPS AND HOW THEY SAILED THE SEVEN SEAS. By Hendrik Willem van Loon. New York: Simon & Schuster, 1935. \$3.

UNTIL the twentieth century, Mr. van Loon contends, life on shipboard was unfit for human beings, and those who took to the sea suffered hardship and illness in unsavory surroundings. Yet the story of navigation, from the hollowed tree trunks of primitive days to the modern ocean liner, is worth retelling. In this book one may follow Mr. van Loon through centuries of shipbuilding, ship victualing, ship armament and ship personnel. The reward will depend upon the reader's fondness for the author's method of writing—a method by now too well known to need description. Nearly every page is illustrated with Mr. van Loon's characteristic drawings.

RALPH THOMPSON.

Statistics in Pictures

RICH MAN, POOR MAN. Pictures of a Paradox. By Ryllis Alexander Goslin and Omar Pancoast Goslin. Drawings by Delos Blackmar. Published by the People's League for Economic Security. New York: Harper & Brothers, 1935. \$1.

BY means of a minimum of explanation and a maximum of illustrative charts the authors have reduced the American economic situation to its simplest terms. The intelligent 10-year-old, in fact, should be able to understand the book from cover to cover. The authors, with the aid of their artist, have vividly presented their argument against what they regard as the economic evils of the day.

R. L. B.

Great Contemporaries

MEN OF TURMOIL. Biographies by Leading Authors of the Dominating Personalities of Our Day. New York: Minton, Balch & Co., 1935. \$3.75.

BY whatever standard this collection of essays may be judged, whether of selection, of accuracy or of literary quality, it will be pronounced excellent. While statesmen naturally predominate, leaders in other fields of life are not overlooked. Religion is represented by Pope Pius XI; science by Einstein, Marconi, Rutherford, Lodge and others; music by Toscanini, Chaliapin and Sibelius; the arts by Picasso, Epstein and Reinhardt; letters by Bernard Shaw; philosophy by Bergson; industry by Henry Ford. Some of the

great men, like Colonel Lawrence and Dr. Albert Schweitzer, can hardly be assigned to categories. There can be little quarrel with the authors engaged to present *Men of Turmoil*. Arnold Toynbee on Mustafa Kemal, Sir Arthur Keith on Sir Oliver Lodge, André Maurois on Marshal Lyautey, Harold J. Laski on Trotsky, Liddell Hart on Lawrence of Arabia, G. D. H. Cole on Henry Ford, and H. St. J. B. Philby on Ibn Saud are among the unusually happy choices. The length of the essays has allowed the writers sufficient space in which to cover the principal factors in the careers of their subjects. R. L. B.

Another Russian Visit

MODERN RUSSIA. By Cicely Hamilton. New York: E. P. Dutton & Co., Inc., 1934. \$2.75.

THERE is nothing particularly arresting about this Englishwoman's account of Russia today, though it is by no means dull. The story is one we have heard a dozen times before—of hospitals, breadlines, collectives, the OGPU, the Central Executive Committee, Lenin's tomb, anti-religious museums—and will serve as well as the next as a general introduction to Soviet society, even if it does not pretend to be exhaustive. The tone in which the book is written is scientific; the author was neither swept off her feet nor horrified by what she saw. The method of presentation is lively, with the exposition broken pleasantly by anecdotes and personal experiences. R. T.

Exploring the Universe

THROUGH SPACE AND TIME. By Sir James Jeans. New York: The Macmillan Company, 1935. \$3.

PROFESSOR JEANS once more exercises his great talent for translating the learning of the geologists, astrophysicists and astronomers into language that any one can follow. After a preliminary discussion of the earth and its atmosphere, he takes the reader for a trip through space by means of an imaginary rocket. Visits are paid to the moon, to Mars, to Venus and to Jupiter, while the sun is inspected close at hand. Altogether, it is as good a simple introduction to a vast subject as the person without special knowledge could wish for the purpose. R. L. B.

Our Far Eastern Policy

THE CASE FOR MANCHUKUO. By George Bronson Rea. New York: Appleton-Century Company, 1935. \$3.50.

IS the United States following a completely unrealistic policy in the Far East and blindly serving as a cat paw for Great Britain and Soviet Russia? George Bronson Rea, who admits that he holds a brief, declares that in every respect—in regard to China, to Manchukuo, to Japan—the United States has been “backing the wrong horse.” His *Case for Manchukuo* and, incidentally, his case for Japan, are not badly argued, though strongly colored by an anti-Soviet bias. While

due allowance should also be made for Mr. Rea's position as counselor to the Manchukuoan Foreign Ministry, his criticism of our policy deserves attention if for no other reason than that we have not had enough of such criticism. Before jumping on the anti-Japanese bandwagon we would do well to consider carefully the alternatives to—and the consequences of—fighting Japan. R. L. B.

Asiatic Rivalries

CONFLICTS OF POLICY IN THE FAR EAST. By George H. Blakeslee. New York: World Peace Foundation, 50 cents.

IN fifty-six pages Dr. Blakeslee gives a bird's eye view of the causes and present stage of development of the conflicts in the Far East, particularly between Japan, Russia and China, but not omitting the United States, Great Britain and the League of Nations. The author has packed an amazing amount of information into this nutshell. GROVER CLARK.

Affairs in India

CHRISTIAN MASS MOVEMENTS IN INDIA. A Study With Recommendations. By J. Waskom Pickett. Foreword by John R. Mott. New York: The Abingdon Press, 1933. \$2.

Missionary leaders have been forced to recognize the fact that in India the power of caste and tribal tradition is still so strong that individual proselytes relapse all too frequently. Increasing efforts are therefore being made to convert entire groups, and Dr. Pickett describes the technique of mass proselyting and the successes and prospects of the method.

CONDITION OF INDIA. New York: Universal Publishing Company, 1934. \$1.50.

The report of the delegation sent to India in 1932 by the India League, a British pro-Swaraj organization. Presents against a background of Indian history the facts gleaned from seven weeks of observation. Preface by Bertrand Russell.

THE EPIC FAST. By Pyaraleel. New York: University Publishing Company, 1934. \$1.

A collection of documents and observations relating to Gandhi's crusade against untouchability. Concerns the period 1931-1932, especially the “fast unto death” of September, 1932.

Jewish Problems

RACES, NATIONS AND JEWS. By Dr. Joseph Tenenbaum. New York: Bloch Publishing Company, 1934. \$2.

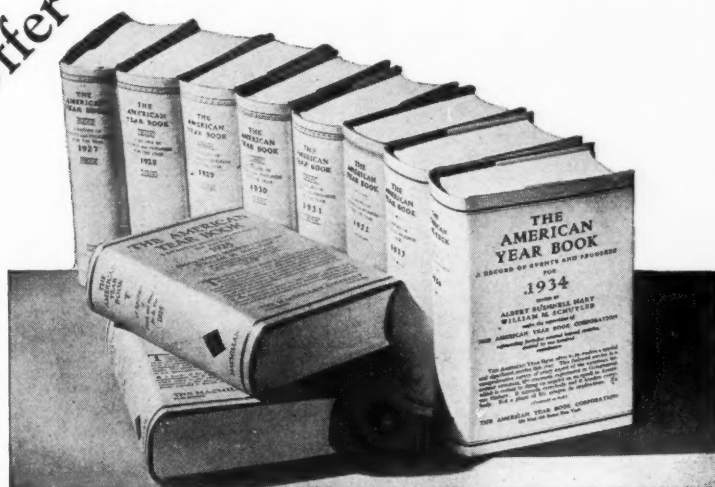
An eminent Jewish leader argues that the nations of today need have no fear of the Jew. “Jewish nationality,” he declares, “interferes neither with patriotic duties nor with the most ardent love of the country, which Jews are more capable of and eager in than many native peoples.”

JEWS IN PALESTINE. By A. Revusky. New York: The Vanguard Press, 1935. \$3.50.

An almost encyclopedic account of Zionist achievements and problems in Palestine. Jewish-Arab relations are treated fairly, but the

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Continued from Page XIV

author appears to evade an adequate discussion of Zionist minority problems.

THE RISE AND DESTINY OF THE GERMAN JEW. By Jacob R. Marcus. Cincinnati: Union of American Hebrew Congregations, 1934. \$2.

A competent discussion of the plight of the German Jew with a discussion of the origins of German anti-Semitism.

The Hoover War Library

THE BOLSHEVIK REVOLUTION, 1917-1918. *Documents and Materials.* By James Bunyan and H. H. Fisher. Stanford University, California: Stanford University Press, 1934. \$6.

THE CAUSES OF THE GERMAN COLLAPSE IN 1918. Documents selected by Ralph Haswell Lutz. Translated by W. L. Campbell. Stanford University, California: Stanford University Press, 1934. \$4.

Volumes 3 and 4 of the admirable Hoover War Library Publications of source materials. Also available from the Oxford University Press.

Economic Questions

A PROGRAM FOR UNEMPLOYMENT INSURANCE AND RELIEF IN THE UNITED STATES. By Alvin H. Hensen, Merrill G. Murray, Russell A. Stevenson, Bryce M. Stewart. Minneapolis: The University of Minnesota Press, 1934. \$2.50.

A helpful symposium prepared and published under the auspices of the Employment Stabilization Research Institute at the University of Minnesota.

THE THEORY OF MONEY AND CREDIT. By Ludwig von Mises. Translated by H. E. Batson. New York: Harcourt, Brace & Co., 1935. \$4.50.

The translation of this advanced textbook fills an important gap in English economic literature. Although the German original was last revised in 1924, the author says in a preface to the English edition that recent events have in no wise altered the views he set forth more than a decade ago.

THE STRATEGY OF RAW MATERIALS. A Study of America in Peace and War. By Brooks Emeny. New York: The Macmillan Company, 1934. \$3.

In a monograph that is well fortified with tables and graphic illustrations, Dr. Emeny rediscovers America's favored position as to both vegetable and metallic raw materials if war should come.

LABOR FACT BOOK. II. Prepared by the Labor Research Association. New York: International Publishers, 1934. \$2.

Though this handbook was inspired by partisan motives, it nevertheless contains a large amount of authoritative information about the condition of the worker, the farmer and the Negro; about the present situation in the labor movement in the United States and about other subjects of social and economic importance.

FOREIGN BONDHOLDERS AND AMERICAN STATE DEBTS. By Reginald C. McGrane. New York: The Macmillan Company, 1935. \$4.

Dr. McGrane's monograph should put an end to books on this subject.

GERMAN COMMERCIAL POLICY. By Wilhelm Roepke. New York: Longmans, Green & Co., 1934. \$2.

A series of lectures delivered by an economist of international repute under the auspices of

the Graduate School of International Studies at Geneva. Dr. Roepke traces the past, and analyzes the present of German commercial policy and reaches the conclusion that National-Socialist commercial theory has not been crystallized as has its political theory and that it is still in a transitional stage.

Other Recent Books

THE HEROIC YEARS. Fourteen Years of the Republic, 1801-1815. By Fletcher Pratt. New York: Harrison Smith and Robert Haas, 1934. \$3.

Although not a balanced history of this important period of American development, Mr. Pratt's account is exceptionally readable. Military and naval events, which are the author's main interest, and personalities are handled in lively fashion.

VETERANS ON THE MARCH. By Jack Douglas. With a Foreword by John Dos Passos. New York: Workers Library Publishers, 1934. \$1.25.

A description of drives by veterans after past wars for delinquent pay and for pensions, but most of the story deals with the events of 1932, 1933 and 1934. It is the veterans' viewpoint, and their battles are revealed "as a fight between those who profit from wars and those who fight them."

AMERICAN MEDICINE. By Dr. Henry E. Sigrist. New York: W. W. Norton & Co., 1934. \$4.

An account of the development of American medicine from its beginnings, for the layman, by the Welch Professor of the History of Medicine at Johns Hopkins.

PARAGUAY. A Gallant Little Nation. By Philip De Ronde. New York: G. P. Putnam's Sons, 1934. \$1.75.

As the title suggests, a laudatory account of Paraguay's rôle in the Gran Chaco war.

A SHORT STORY OF CZECHOSLOVAKIA. By Dr. Emil Krofta. New York: Robert M. McBride & Co., 1934. \$2.

The permanent head of the Czechoslovak Foreign Office has brought together in this little book a concise history of his country. Its usefulness as a handbook is marred by the author's emphasis on the period before the founding of the present republic.

POPULATION THEORIES AND THEIR APPLICATION. With Special Reference to Japan. By E. F. Pensore. Stanford University, California: Food Research Institute, 1934. \$3.50.

An illuminating investigation into the fundamental economics of Japan's position today, supplementing Professor Orchard's admirable study made several years ago.

SURVEY OF CONTEMPORARY SOCIOLOGY. Edited by Henry Pratt Fairchild. New York: Thomas Nelson & Sons, 1934. \$3.

Dr. Fairchild presents a comprehensive picture of the condition of the American people in 1934, based upon *The New York Times* publications. Carefully selected, well-organized and adequately indexed, the survey possesses the liveliness of the news stories from which it has been pieced together.

THE BRITISH WAY TO RECOVERY. Plans and Policies in Great Britain, Australia and Canada. By Herbert Heaton. Minneapolis: University of Minnesota Press, 1934. \$2.

Professor Heaton shows from the "record" that Britain did not "let nature take its course" in winning her way to recovery.